

# **SPIRIT BLOCKCHAIN CAPITAL INC.**

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

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the condensed interim consolidated financial statements of Spirit Blockchain Capital Inc. (the "Company") and its subsidiaries as well as the notes thereto for the three and six months ended June 30, 2025 and 2024 (collectively referred to hereafter as the "Financial Statements"). The following discussion and analysis, prepared by management, reviews the Company's financial condition and results of operations for the three and six months ended June 30, 2025 and 2024. The MD&A should be read in conjunction with the Financial Statements, which have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IASB") including International Accounting Standards 34 *Interim Financial Reporting*. In addition, the MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements"), as some disclosures from the Annual Financial Statements have been condensed or omitted. This MD&A provides management's analysis of the Company's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information that is currently available.

In this MD&A, the "Company" or the words "we", "us", or "our", collectively refer to Spirit Blockchain Capital Inc. and its subsidiaries. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The six months ended June 30, 2025 and 2024 are referred to as "YTD 2025" and "YTD 2024", respectively.

All amounts are presented in Canadian dollars, the Company's presentation currency, unless otherwise stated. The functional currency of the Company and its subsidiaries is disclosed in the notes to the Financial Statements. Amounts denominated in United States dollars are denoted as "USD" or "US\$" and the amounts denominated in Swiss francs are denoted as "CHF".

This MD&A has been approved by the Company's Board of Directors ("Board") as at August 29, 2025 (the "MD&A date"). For further information on the Company, reference should be made to its public filings on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **MANAGEMENT'S RESPONSIBILITY**

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The Company's management is responsible for the preparation and presentation of the Financial Statements and the MD&A. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators. Additional information regarding the Company, including the latest Annual Information Form.

Information provided in this report, including the Financial Statements, is the responsibility of management. In the preparation of these statements, estimates and judgements are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates and judgements have been based on careful assessments and have been properly reflected in the accompanying Financial Statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

## **OVERVIEW**

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This MD&A has been prepared by management and reviewed by the Board. For the purposes of preparing this MD&A, management, in conjunction with the Board, 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; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

## **DESCRIPTION OF BUSINESS**

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Spirit Blockchain Capital Inc. was incorporated under the Business Corporations Act on January 19, 2021 in British Columbia, Canada. The purpose of the Company is to offer products and services to the digital assets and blockchain ecosphere. The Company holds a portfolio of crypto-currencies, some of which it has staked. The Company provides blockchain and advisory services to third parties. The Company can mine crypto-currencies, lend both fiat money and crypto coins (royalties and streaming), provide consulting services and undertake merger and acquisition activities.

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The Company aims to generate recurring cash flow streams through its different business units. The diversification of its activities will allow the Company to be less volatile than the digital asset markets. The Company wants to become a value stock in a growing environment.

The Company aims to become a leading blockchain & digital asset company focused on streaming, royalties, and digital asset investments. The firm provides investors with a direct exposure to the sector, without the technical complexity or constraints of purchasing the underlying digital assets. The Company's strategy is based upon management's conviction that the blockchain and digital asset ecosystem will register significant growth and outperform traditional asset classes over the medium to long-term. As a result, digital assets will become an integral part of diversified portfolios.

The Company's strategy focuses on several complimentary economic units:

- Royalties & Streams by providing capital to blockchain ecosystem participants, where repayment of the notional takes place in the form of digital assets.
- Advisory & Research Services for institutional and private investors with investment products.
- Treasury Management through balance sheet enhancement with major digital asset investments.
- Licensing Blockchain and Digital Assets Technology products to market participants initially in Europe as well as providing consulting services to support these products.
- Building its own blockchain for running proprietary workloads and providing opportunities to launch new products in the future

## **HIGHLIGHTS**

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During the six months June 30, 2025, the Company had the following transactions:

### **Operational transactions:**

- On March 27, 2025, Spirit Digital AG launched its first suite of Exchange Traded Products - the Spirit Ethereum Yield+ ETP and Spirit Solana Yield+ ETP - on the SIX Swiss Exchange and Deutsche Börse, providing investors with a seamless, institutional-grade entry point into ETH and SOL staking strategies. Each ETP is fully collateralized and physically backed by the underlying digital assets in cold storage with institutional-grade custodians and carries a management fee of 1.49% to balance accessibility with long-term value. Through our partnership with Issuance Swiss AG, these products transform decentralized finance staking into transparent, regulated, exchange-listed vehicles, advancing the Company's vision of bridging traditional finance and blockchain investing.
- On April 22, 2025, the Company upgraded to the OTCQB Venture Market (the "OTCQB") under the symbol "SBLCF".

### **Financing activities:**

- On January 16, 2025, the Company completed a unit private placement of 883,009 units at \$0.165 per unit for gross proceeds of \$145,696. Each unit consists of one common share and one-half warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.255 until January 16, 2027. The net proceeds will be allocated to accelerate revenue expansion opportunities, enhance investor relations, and support general corporate operations.
- On January 21, 2025, the Company settled \$1,105,024 of EOS Tranche convertible notes principal and interest by issuing 6,470,588 common shares at a price of approximately \$0.17 per share. The derivative liability of \$153,003 was reclassified to share capital.
- On February 18, 2025, the Company closed the Listed Issuer Financing Exemption Offering ("LIFE Offering") of 14,088,491 units at \$0.15 per unit for gross proceeds of \$2,113,274. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.25 until February 18, 2027. The Company intends to use the proceeds from the LIFE Offering to fund the development and deployment of the Spirit Blockchain Layer Zero Protocol and to enhance its digital asset management operations.
- In connection with the LIFE Offering, the Company paid cash finders fees of \$268,135 and issued 333,333 common shares and 1,127,079 compensation options. Each unit consists of one common share and one-half of one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.25 until February 18, 2027. Each compensation option entitles the holder to purchase one common share of the Company at a price of \$0.15 per share until February 18, 2027.
- On April 28, 2025, the Company issued 239,541 common shares upon the exercise of 239,541 share purchase warrants at exercise price of \$0.05 per warrant, for gross proceeds of \$11,977.

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- On June 16, 2025, the Company issued 4,435,417 common shares with a fair value of \$199,594 to settle \$350,875 owing to various consultants and service providers of the Company. As a result, a gain on settlement of accounts payable of \$151,281 was recorded through profit or loss.

During the year ended December 31, 2024, the Company had the following transactions:

- On March 7, 2024, the Company entered into a simple agreement for future equity ("SAFE") with CryptoSlam, Inc. ("CryptoSlam"). Pursuant to the SAFE, the Company invested \$67,595 (US\$50,000) to help support CryptoSlam's innovation program. The SAFE is initially recorded at fair value and subsequently measured by investment at cost which approximates its fair value.
- On March 28, 2024, the Company completed a non-brokered unit private placement of 2,200,000 units at \$0.05 per unit for gross proceeds of \$110,000. Each unit consists of one common share and one-half warrant, each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.18 until September 28, 2025.
- On March 28, 2024, the Company completed a non-brokered private placement of convertible debentures for gross proceeds of \$440,000. The convertible debentures are unsecured, bear interest at 7.5% per annum, payable semi-annually and mature three years after the date of issue on March 28, 2027. Each convertible debenture is convertible into common shares at a price of \$0.18 per common share until September 28, 2025 and \$0.24 per common share afterwards until March 28, 2027.
- On October 2, 2024, the Company issued 200,000 units at a price of \$0.05 per unit for gross proceeds of \$10,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.18 until October 2, 2026.
- On October 2, 2024, the Company issued convertible debentures for gross proceeds of \$40,000. The convertible debentures mature three years from the date of issuance and bear interest at a rate of 7.5% per annum. Each convertible debenture is convertible into common shares at a price of \$0.18 per common share during the period of 18 months after the date of issue and \$0.24 per common share afterwards until October 2, 2026.
- On November 22, 2024, the Company issued 14,000,000 common shares at a price of \$0.32 for a fair value of \$4,480,000 and 14,000,000 warrants with a fair value of \$4,265,340 in connection with the Dogecoin Acquisition.
- On December 4, 2024, the Company issued total 400,000 common shares pursuant to the exercise of 400,000 warrants at \$0.18 per share for gross proceeds of \$72,000.
- On December 10, 2024, the Company issued 16,198 common shares pursuant to the cashless exercise 35,714 warrants.
- On December 17, 2024, the Company completed a unit private placement of 7,920,543 units at \$0.165 per unit for gross proceeds of \$1,306,890. Of this amount, \$1,285,120 was cash and \$21,770 was in the form of Bitcoin tokens. Each unit consists of one common share and one-half warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.255 until December 17, 2026.
- During the year ended December 31, 2024, the Company settled \$634,463 of convertible notes principal by issuing 3,524,793 common shares at a price of \$0.18 per share.
- During the year ended December 31, 2024, the Company advanced to Troon Technologies Canada Inc. ("Troon") an additional \$50,000 and was provided services valued at \$8,876 in exchange for repayment of the loan.

## ACQUISITION OF DOGECOIN HOLDINGS

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On October 8, 2024, the Company announced that it had entered into a binding agreement to acquire all of the issued and outstanding securities of Dogecoin Holdings ("Dogecoin"). On November 22, 2024 (the "Acquisition Date"), the Company completed the acquisition of Dogecoin for 14,000,000 common shares and 14,000,000 share purchase warrants of the Company issued to the shareholders of Dogecoin Holdings (the "Dogecoin Acquisition"). The shares and share purchase warrants issued as consideration in the Dogecoin Acquisition had an aggregate fair value on the date of issuance of \$8,745,340. Each warrant exercisable at \$0.05 per share for a period of 24 months from the Acquisition Date.

At the Acquisition Date, Dogecoin did not meet the criteria for a business, as per analysis below:

- (i) **Input:** At the time of the acquisition, Dogecoin did not have any assets or other inputs that could support revenue-generating processes. The only resource available was a cash balance of \$387,494. While cash is a vital asset and can be used for operational purposes, it cannot, on its own, generate output without accompanying operational structures or intellectual property. There was no evidence of intellectual property - such as patents, trademarks, proprietary technologies, or any other intangible assets - that could form the basis for a revenue-generating business model.

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- (ii) **Process:** At the time of the acquisition, Dogecoin did not have any employees, which means there was no operational workforce to execute any plans or processes that could result in the creation of goods or services. Additionally, Dogecoin did not have any administrative systems in place such as financial management tools, marketing strategies, and operational frameworks, etc. to managing the day-to-day activities of a business and facilitating its growth. Without these processes, Dogecoin had no established mechanisms to ensure the efficient use of its available resources (in this case, its cash balance), and it was unable to carry out any functional business activities. This lack of a defined process meant that Dogecoin had no operational capacity.
- (iii) **Output:** At the time of the acquisition, Dogecoin did not meet the necessary conditions to produce an output, as there were no functional inputs or established processes in place.

Due to the absence of both the necessary inputs and the required processes, at the time of the Dogecoin Acquisition, Dogecoin was not capable of producing outputs and therefore would not meet the definition of a business under IFRS 3 *Business combinations* ("IFRS 3").

As a result, Dogecoin Acquisition did not qualify as a business combination under IFRS 3, as the significant inputs, processes, and outputs that together constitute a business did not exist in Dogecoin Holdings at the time of acquisition and Dogecoin Acquisition has been accounted for as an equity-settled share-based payment transaction within the scope of IFRS 2 *Share-based payments*. Accordingly, the consideration in excess of net assets acquired was recorded as acquisition expense.

A summary of the Company's fair value of the consideration and net assets acquired as at November 22, 2024, the acquisition date is as follows:

	\$
<b>Consideration</b>	
Fair value of 14,000,000 common shares	4,480,000
Fair value of 14,000,000 share purchase warrants	4,265,340
	<b>8,745,340</b>
<b>Net assets acquired</b>	
Cash	387,494
Accounts payable and accrued liabilities	(6,192)
	<b>381,302</b>
<b>Acquisition expense</b>	<b>8,364,038</b>

In addition to Dogecoin's identifiable net assets, Dogecoin possesses vendor contracts and established relationships. However, the fair value of these items cannot be measured reliably and the potential future economic benefit flowing from them is indeterminable. As a result, the vendor contracts and relationships do not meet the criteria for recognition as intangible assets and have been expensed.

## DIGITAL ASSETS

The Company has a brokerage account with Crypto Finance AG in Zurich, Switzerland, Bitcoin Suisse AG in Grafenauweg, Switzerland, a B2C2 wallet and a multi-signature wallet. Unrealized fair value gains on digital assets are recorded through profit or loss only to the extent that an unrealized gain reverses a previously unrealized loss. Unrealized fair value gains are otherwise recognized through OCI. Unrealized fair value losses are first applied to any gains previously recorded through OCI with residual amounts recognized through profit or loss. When a digital asset is sold, amounts respective of the digital asset that have been recorded in OCI are reclassified to deficit and a realized gain or loss through profit or loss is recorded based on proceeds of disposition less the fair value of the digital asset sold.

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A summary of the Company's digital assets is as follows:

	June 30, 2025		December 31, 2024	
	Units held #	Fair value \$	Units held #	Fair value \$
<b>Current</b>				
Bitcoin	0.25	44,144	0.25	33,609
Dogecoin	41,200	9,545	41,200	18,716
Tether	5,300	7,301	26,680	37,328
USD Coin	10,428	14,610	10,428	13,159
<b>Total</b>		<b>75,600</b>		<b>102,812</b>

During the three and six months ended June 30, 2025, the Company recorded a gain on change in fair value of digital assets of \$10,154 and \$259, respectively (2024 - loss of \$7,194 and a gain of \$3,819, respectively) through profit or loss. During the three and six months ended June 30, 2025, realized gain or loss on sale of digital assets was \$nil and \$nil, respectively (2024 - gain of \$33,408 and \$23,970, respectively).

During the three and six months ended June 30, 2025, the Company recorded a gain of \$4,612 and \$1,668, respectively (2024 - gain of \$nil and \$51,436, respectively) through other comprehensive income.

Major movement during the six months ended June 30, 2025:

On February 24, 2025, 21,380 units of Tether with a fair value of \$30,057 received as subscription deposits during the year ended December 31, 2024 from a subscriber were returned following the subscriber's withdrawal from future financings.

Major movements during the year ended December 31, 2024

On January 5, 2024, the Company received a repayment of amounts receivable of \$271,515 from InvestDEFY in the form of EOS tokens. The EOS tokens were sold for \$267,091 in the form of 23.45 Ethereum and 135.046 USD Coin. There was a net loss of \$4,424 from the sale and this was disclosed as realized loss on sale of digital assets in profit or loss.

On November 14, 2024, 0.25 units of Bitcoin with fair value of \$30,665 were received, part of which were included as part of gross proceeds received from the closing of a unit private placement on December 17, 2024. During the year ended December 31, 2024, the Company recorded an unrealized gain of \$2,944 through other comprehensive income on these units of Bitcoin.

On November 14, 2024, 21,380 units of Tether with a fair value of \$30,057 were received as subscription deposits from a subscriber. On December 17, 2024, an additional 25,000 units of Tether with a fair value of \$35,309 were received as subscription deposits from a subscriber that participated in a unit private placement closed on January 16, 2025. During the year ended December 31, 2024, 19,700 units of Tether were sold for gross proceeds of \$28,538.

During the year ended December 31, 2024, the Company purchased 41,200 units of Dogecoin for \$21,641 and recorded a loss on change in fair value of these units of \$2,925.

**INVESTMENT**

A summary of the Company's investment is as follows:

	<b>CryptoSlam</b>
	\$
Balance, December 31, 2023	-
Additions	67,595
Foreign exchange gain	4,350
Balance, December 31, 2024	71,945
Foreign exchange loss	(3,730)
<b>Balance, June 30, 2025</b>	<b>68,215</b>

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**Investment in CryptoSlam SAFE**

On March 7, 2024, the Company entered into a SAFE with CryptoSlam. Pursuant to the SAFE, the Company invested \$67,595 (US\$50,000 - the "Purchase Amount") to support CryptoSlam's innovation program.

In the event that CryptoSlam completes an equity financing, CryptoSlam will automatically issue to the Company the greater of:

- The number of shares of the preferred stock equal to the Purchase Amount divided by the lowest price per share of the preferred stock; and
- The number of shares of preferred stock equal to the Purchase Amount divided by the safe price (equal to price per preferred share equal to CryptoSlam's post-money valuation capitalization divided by CryptoSlam's total number of common shares issued and outstanding immediately prior to the equity financing).

In the event of a CryptoSlam's liquidation before the termination of the SAFE, the Company will receive an amount equal to the greater of:

- the Purchase Amount; and
- the amount payable on the number of ordinary shares equal to the Purchase Amount divided by the liquidity price (equal to CryptoSlam's post-money valuation cap divided by CryptoSlam's total number of shares issued and outstanding immediately prior to the liquidation event).

In the event of CryptoSlam's dissolution before the termination of the SAFE, the Company will receive the Purchase Amount.

As at June 30, 2025, the SAFE has not been converted due to no triggering events taking place since the issuance of the SAFE and had a balance of \$68,215 (December 31, 2024 - \$71,945). As at June 30, 2025, the Company has concluded that the cost of the SAFE is a representation of the fair value because of the absence of a market to reliably measure the fair value of the investment.

**CONVERTIBLE DEBENTURES**

A summary of the Company's convertible debentures is as follows:

	<b>First Tranche</b>	<b>Second Tranche</b>	<b>EOS Tranche</b>	<b>Third Tranche</b>	<b>Fourth Tranche</b>	<b>Total</b>
	\$	\$	\$	\$		\$
Balance, December 31, 2023	203,900	46,104	961,339	-	-	1,211,343
Issuance - liability component	-	-	-	307,527	27,957	335,484
Interest expense	15,144	3,749	97,900	22,841	740	140,374
Accretion expense	24,191	8,650	45,785	113,268	749	192,643
Converted	(220,000)	(54,463)	-	(360,000)	-	(634,463)
Interest expense reclassified to AP	(23,235)	(4,040)	-	(18,272)	-	(45,547)
Balance, December 31, 2024	-	-	1,105,024	65,364	29,446	1,199,834
Interest expense	-	-	-	2,975	1,488	4,463
Interest payment	-	-	-	(4,570)	-	(4,570)
Accretion expense	-	-	-	3,601	1,626	5,227
Converted	-	-	(1,105,024)	-	-	(1,105,024)
<b>Balance, June 30, 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,370</b>	<b>32,560</b>	<b>99,930</b>
Current	-	-	-	-	-	-
Non-current	-	-	-	67,370	32,560	99,930

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#### **First Tranche**

On July 5, 2023, the Company completed a non-brokered private placement (the "First Tranche") of convertible debentures for gross proceeds of \$220,000. The convertible debentures are unsecured, bear interest at 7.5% per annum, payable semi-annually and mature three years after the date of issue on July 5, 2026. Each convertible debenture is convertible into common shares at a price of \$0.18 per common share during the period of 18 months after the date of issue and \$0.24 per common share afterwards until July 5, 2026. The fair value of the liability component was determined using the rate of interest that would apply to an identical financial instrument without the conversion option. As a result, fair value of \$191,854 was allocated to the liability component and \$28,146 was allocated to the equity component representing the conversion feature.

On December 4 and 10, 2024, the Company settled \$220,000 of First Tranche convertible notes principal by issuing 1,222,222 common shares at a price of \$0.18 per share. The value of the conversion feature for these settled convertible debentures was transferred from reserve to share capital in the amount of \$28,146. Unsettled accrued interest expense was reclassified to accounts payable and accrued liabilities in the amount of \$23,235 disclosed as convertible notes interest payable.

During the three and six months ended June 30, 2025, the Company recorded an accretion expense of \$nil and \$nil, respectively (2024 - \$2,167 and \$4,271, respectively) and an interest expense of \$nil and \$nil, respectively (2024 - \$4,114 and \$8,227, respectively) on the First Tranche.

#### **Second Tranche and EOS Tranche**

On December 5, 2023, the Company completed a non-brokered private placement of convertible debentures with an affiliated entity for total fair value of \$1,054,463, of which \$54,463 was received in cash proceeds (the "Second Tranche") and \$1,000,000 in EOS tokens (the "EOS Tranche").

The Second Tranche matures three years from the date of issuance on December 5, 2026 and bear interest at 7.5% per annum payable semi-annually. The Second Tranche is convertible into common shares at a price of \$0.18 per common share during the 18 months after the date of issue and \$0.24 per common share afterwards until December 5, 2026. In the event of an acquisition of the Company ("Change of Control"), the Second Tranche will be repaid in full plus any accrued and unpaid interest. The fair value of the liability component was determined using the rate of interest that would apply to an identical financial instrument without the conversion option. As a result, fair value of \$45,641 was allocated to the liability component and \$8,822 was allocated to the equity component representing the conversion feature.

On December 2, 2024, the Company settled \$54,463 of Second Tranche convertible notes principal by issuing 302,572 common shares at a price of \$0.18 per share. The value of the conversion feature for these settled convertible debentures was transferred from reserve to share capital in the amount of \$8,822. Unsettled accrued interest expense was reclassified to accounts payable and accrued liabilities in the amount of \$4,040 disclosed as convertible notes interest payable.

On January 21, 2025, following the maturity of the EOS Tranche on December 5, 2024, the Company settled \$1,105,024 of EOS Tranche convertible notes principal and interest by issuing 6,470,588 common shares at a share price of \$0.17. The derivative liability of \$153,003 relating to the EOS Tranche was reclassified to share capital.

During the three and six months ended June 30, 2025, the Company recorded an accretion expense of \$nil and \$nil, respectively (2024 - \$12,715 and \$24,962, respectively) and an interest expense of \$nil and \$nil, respectively (2024 - \$26,973 and \$53,310, respectively) on the combined Second Tranche and EOS Tranche.

#### **Third Tranche**

On March 28, 2024, the Company completed a non-brokered private placement (the "Third Tranche") of convertible debentures for gross proceeds of \$440,000. The convertible debentures are unsecured, bear interest at 7.5% per annum, payable semi-annually and mature three years after the date of issue on March 28, 2027. Each convertible debenture is convertible into common shares at a price of \$0.18 per common share until September 28, 2025 and \$0.24 per common share afterwards until March 28, 2027. The fair value of the liability component was determined using the rate of interest that would apply to an identical financial instrument without the conversion option. As a result, fair value of \$307,527 was allocated to the liability component and \$132,473 was allocated to the equity component representing the conversion feature.

On December 2 and 10, 2024, the Company settled \$360,000 of Third Tranche convertible notes principal by issuing 1,999,999 common shares at a price of \$0.18 per share. The value of the conversion feature for these settled convertible debentures was transferred from reserve to share capital in the amount of \$108,387. Accrued interest expense of \$18,272 unsettled at the time of conversion was reclassified to accounts payable and accrued liabilities and disclosed as convertible notes interest payable. This amount was paid in cash during the six months ended June 30, 2025.

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During the three and six months ended June 30, 2025, the Company recorded an accretion expense of \$1,854 and \$3,601, respectively (2024 - \$8,340 and \$8,609, respectively) and an interest expense of \$1,496 and \$2,975, respectively (2024 - \$8,227 and \$8,499, respectively) on the Third Tranche. Accrued interest expense of \$4,570 was paid in cash during the six months ended June 30, 2025.

#### Fourth Tranche

On October 2, 2024, the Company completed a non-brokered private placement (the "Fourth Tranche") of convertible debentures for gross proceeds of \$40,000. The convertible debentures are unsecured, bear interest at 7.5% per annum, payable semi-annually and mature three years after the date of issue on October 2, 2027. Each convertible debenture is convertible into common shares at a price of \$0.18 per common share until April 2, 2026 and \$0.24 per common share afterwards until October 2, 2027. The fair value of the liability component was determined using the rate of interest that would apply to an identical financial instrument without the conversion option. As a result, fair value of \$27,957 was allocated to the liability component and \$12,043 was allocated to the equity component representing the conversion feature.

During the three and six months ended June 30, 2025, the Company recorded accretion expense of \$838 and \$1,626, respectively (2024 - \$nil and \$nil, respectively) and interest expense of \$748 and \$1,488, respectively (2024 - \$nil and \$nil, respectively) on the Fourth Tranche.

### SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected quarterly financial information for the last eight quarters:

	Q2 2025	Q1 2025	Q4 2024	Q3 2024
	\$	\$	\$	\$
Net loss	1,231,729	1,125,266	9,376,989	846,069
Comprehensive loss	1,227,262	1,135,144	9,381,022	889,881
Net loss per share - basic and diluted	0.01	0.01	0.08	0.01

  

	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	\$	\$	\$	\$
Net loss	527,583	441,909	1,003,170	194,925
Comprehensive loss	530,354	399,072	995,010	194,454
Net loss per share - basic and diluted	0.01	0.00	0.01	0.00

During the last eight quarters, the Company's net loss has ranged between \$194,925 and \$9,376,989. The Company has not yet achieved profitable operations. The fluctuations in net loss and comprehensive loss are influenced by several factors, including volatility in the cryptocurrency markets, which impacts the valuation of the Company's digital assets and its investments in industry peers as well as varying levels of marketing expenses, acquisition-related costs, and consulting fees incurred during the period.

During Q3 2023, the Company incurred a net loss and comprehensive loss of \$194,925. This decrease compared to other quarters was a result of reduced consulting fees and professional fees from normal course cost reductions, along with reduced share-based compensation due to the vesting of lower number of stock options and restricted shares units. During Q4 2023, the Company incurred a net loss of \$1,003,170, mainly attributed to increased consulting fees and higher loss from change in fair value of investments.

Net loss in Q1 2024 decreased from net loss in Q4 2023, mainly due to reduction in professional fees in Q1 2024 which is as a result of the non-occurrence of legal expenses related to the preparation of an option and RSU agreement for the Chief Executive Officer ("CEO") in the prior period and a supplier credit of \$17,540 received in Q1 2024, loss in change in fair value of derivative liability and loss in change in fair value of investments in Q4 2023. Net loss increased to \$527,584 in Q2 2024 and \$846,069 in Q3 2024 due to an increase in consulting fees with the addition of three new members to the senior management team and an increase in fees to the CEO. Net loss in Q4 2024 was largely attributable to acquisition expense associated with the Dogecoin Acquisition. Net loss in Q1 2025 was primarily driven by increased professional fees related to the unit private placement and LIFE Offering. Net loss in Q2 2025 was primarily driven by engagements with marketing and branding firms to enhance public awareness of the Company's operations.

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**RESULTS OF OPERATIONS**

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
	\$	\$	\$	\$
<b>Operating expenses</b>				
Consulting fees	492,335	362,345	558,835	706,432
Filing fees	2,757	1,794	7,113	6,469
General and administrative	524,639	94,672	883,829	163,931
Professional fees	268,053	35,135	667,112	17,565
Research and development	56,689	-	288,122	-
Share-based compensation	422	4,932	844	9,864
	<b>1,344,895</b>	498,878	<b>2,405,855</b>	904,261
<b>Other income (expenses)</b>				
Accretion expense	(2,692)	(23,222)	(5,227)	(37,842)
Change in fair value of digital assets	10,154	(7,194)	259	3,819
Foreign exchange gain (loss)	(14,804)	1,250	(18,041)	2,865
Gain on settlement of accounts payable and accrued liabilities	151,281	-	151,281	-
Interest expense	(2,244)	(39,314)	(4,463)	(70,036)
Other income	3,459	6,366	7,103	11,993
Provisions for expected credit losses	(31,988)	-	(82,052)	-
Realized gain on digital assets	-	33,408	-	23,970
	<b>113,166</b>	(28,706)	<b>48,860</b>	(65,231)
<b>Net loss</b>	<b>(1,231,729)</b>	(527,584)	<b>(2,356,995)</b>	(969,492)
<b>Other comprehensive income (loss)</b>				
Change in fair value of digital assets	4,612	-	1,668	51,436
Change in foreign currency translation	(145)	(2,771)	(7,079)	(11,370)
<b>Comprehensive loss</b>	<b>(1,227,262)</b>	(530,355)	<b>(2,362,406)</b>	(929,426)

**Q2 2025 compared to Q2 2024**

Net loss increased to \$1,231,729 from \$527,584 in the prior year comparable period. The primary drivers of the increase in net loss were as follows:

- Consulting fees increased to \$492,335 compared to \$362,345 in the prior year comparable period primarily due to the additions of new consultants to assist with the Company's operational expansion in the current period.
- General and administrative increased to \$524,639 compared to \$94,672 in the prior year comparable period. The Company engaged new marketing and branding firms to enhance public awareness and reinforce its leadership in blockchain finance, corporate treasury strategies, and digital asset management as part of its ongoing expansion.
- Professional fees increased to \$268,053 compared to \$35,135 in the prior year comparable period, primarily due to fees related to the advancement of the Company's first suite of exchange traded products ("Exchange Traded Products") in the current period. The Company received a supplier credit of \$53,938 in the prior year comparable period.
- Research and development increased to \$56,689 compared to \$nil in the prior year comparable period due to the Company's ongoing development of a digital assets management platform during the current period.
- Provisions for expected credit losses increased to \$31,988 compared to \$nil in the prior year comparable period. The Company recognized provisions for the anticipated unrecoverable taxes receivable of \$31,988 in the current period.

Partially offsetting the increase in net loss was a decrease in certain expenses and increase in other income as follows:

- Accretion expense decreased to \$2,692 compared to \$23,222 in the prior year comparable period due to a lower balance of convertible debentures outstanding in the current period. In December 2024, the Company settled \$634,463 of convertible note principal by issuing 3,524,793 common shares at a price of \$0.18 per share. In January 2025, the Company settled \$1,105,024 of EOS Tranche convertible notes principal and interest by issuing 6,470,588 common shares at a share price of approximately \$0.17 per share.

## **SPIRIT BLOCKCHAIN CAPITAL INC.**

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

For the three and six months ended June 30, 2025 and 2024

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- Change in fair value of digital assets was a gain of \$10,154 compared to a loss of \$7,194 in the prior year comparable period primarily due to the fluctuations in the fair value of the underlying digital assets held by the Company during the current period.
- Foreign exchange was a loss of \$14,804 compared to a gain of \$1,250 in the prior year comparable period primarily due to the impact of strengthening Canadian dollar against the US dollar on the translation of US dollar denominated assets.
- Gain on settlement of accounts payable and accrued liabilities increased to \$151,281 compared to \$nil in the prior year comparable period due to the Company settling \$50,000 owing to arm's length consultant of the Company by issuing 810,417 common shares with a fair value of \$36,469 and \$300,875 owing to various service providers of the Company by issuing 3,625,000 common shares with a fair value of \$163,125 in the current period.
- Interest expense decreased to \$2,244 compared to \$39,314 in the prior year comparable period due to a lower balance of convertible debentures outstanding in the current period. In December 2024, the Company settled \$634,463 of convertible note principal by issuing 3,524,793 common shares at a price of \$0.18 per share. In January 2025, the Company settled \$1,105,024 of EOS Tranche convertible notes principal and interest by issuing 6,470,588 common shares at a share price of approximately \$0.17 per share.

#### **YTD 2025 compared to YTD 2024**

Net loss increased to \$2,356,995 from \$969,492 in the prior year comparable period. The primary drivers of this increase in net loss were as follows:

- General and administrative increased to \$883,829 compared to \$163,931 in the prior year comparable period. The Company engaged new marketing and branding firms to enhance public awareness and reinforce its leadership in blockchain finance, corporate treasury strategies, and digital asset management as part of its ongoing expansion.
- Professional fees increased to \$667,112 compared to \$17,565 in the prior year comparable period primarily due to higher legal fees incurred in connection with financing activities in Q1 2025 and fees related to the advancement of the Company's first suite of Exchange Traded Products in the current period. The Company received a supplier credit of \$53,938 in the prior year comparable period.
- Research and development increased to \$288,122 compared to \$nil in the prior year comparable period due to the Company's ongoing development of a digital assets management platform during the current period.
- Provisions for expected credit losses increased to \$82,052 compared to \$nil in the prior year comparable period. The Company recognized provisions for the anticipated unrecoverable taxes receivable of \$82,052 in the current period.

Partially offsetting the increase in net loss was a decrease in certain expenses and increase in other income as follows:

- Consulting fees decreased to \$558,835 compared to \$706,432 in the prior year comparable period mainly due to the reversal of accrued amounts of \$250,000 relating to discontinued consulting contracts in the current period.
- Accretion expense decreased to \$5,227 compared to \$37,842 in the prior year comparable period due to a lower balance of convertible debentures outstanding in the current period. In December 2024, the Company settled \$634,463 of convertible note principal by issuing 3,524,793 common shares at a price of \$0.18 per share. In January 2025, the Company settled \$1,105,024 of EOS Tranche convertible notes principal and interest by issuing 6,470,588 common shares at a share price of approximately \$0.17 per share.
- Foreign exchange was a loss of \$18,041 compared to a gain of \$2,865 in the prior year comparable period primarily due to the impact of strengthening Canadian dollar against the US dollar on the translation of US dollar denominated assets.
- Gain on settlement of accounts payable and accrued liabilities increased to \$151,281 compared to \$nil in the prior year comparable period due to the Company settling \$50,000 owing to arm's length consultant of the Company by issuing 810,417 common shares with a fair value of \$36,469 and \$300,875 owing to various service providers of the Company by issuing 3,625,000 common shares with a fair value of \$163,125 in the current period.
- Interest expense decreased to \$4,463 compared to \$70,036 in the prior year comparable period due to a lower balance of convertible debentures outstanding in the current period. In December 2024, the Company settled \$634,463 of convertible note principal by issuing 3,524,793 common shares at a price of \$0.18 per share. In January 2025, the Company settled \$1,105,024 of EOS Tranche convertible notes principal and interest by issuing 6,470,588 common shares at a share price of approximately \$0.17 per share.

**SPIRIT BLOCKCHAIN CAPITAL INC.****Management's Discussion and Analysis**

For the three and six months ended June 30, 2025 and 2024

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**SOURCES AND USES OF CASH**

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	YTD 2025	YTD 2024
	\$	\$
Cash used in operating activities	(2,695,557)	(1,017,417)
Cash provided by investing activities	-	166,810
Cash provided by financing activities	1,907,218	550,000
Effect of exchange rate on changes in cash	(7,997)	(9,827)
Change in cash	(796,336)	(310,434)
Cash, beginning of the period	929,194	375,491
Cash, end of the period	132,858	65,057

Cash used in operating activities increased to \$2,695,557 compared to \$1,017,417 in the prior year comparable period due to an increase in consulting fees, professional fees, marketing expenses and research and development.

Cash provided by investing activities was \$nil compared to \$166,810 in the prior year comparable period primarily due to a loan provided to Troon and a payment for investment in CryptoSlam, which is partially offset by proceeds received from the sales of digital assets in the prior year comparable period.

Cash provided by financing activities was \$1,907,218 compared to \$550,000 in the prior year comparable period, primarily due to higher proceeds received from the issuance of non-brokered unit private placements and LIFE Offering in the current period. The funds raised by the private placement will be used for income-generating lending, streaming arrangements, investments into blockchain-focused equities and working capital.

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**LIQUIDITY AND CAPITAL RESOURCES**

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As at June 30, 2025, the Company's cash balance of \$132,858 (December 31, 2024 - \$929,194) will not be sufficient to meet its current obligations related to its accounts payable and accrued liabilities balance of \$1,065,740 (December 31, 2024 - \$1,134,285). Therefore, the Company is exposed to liquidity risk and will be required to raise additional capital in the future to fund its operations.

As at June 30, 2025, the Company has a working capital deficit of \$276,614 (December 31, 2024 - \$1,382,352), has not yet achieved profitable operations, and has an accumulated deficit of \$30,047,053 (December 31, 2024 - \$27,690,058).

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**CAPITAL DISCLOSURES**

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The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations and the necessary corporate and administrative functions to facilitate these activities. This is done through both equity and debt financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

The Company holds all capital that is surplus to its immediate operational needs in either Canadian dollars, US dollars or Swiss francs in various bank accounts. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

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**RELATED PARTY TRANSACTIONS**

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Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company's related parties include directors, key management personnel of the Company, including the CEO, and Chief Financial Officer ("CFO").

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A summary of the Company's related party transactions in profit or loss is as follows:

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
	\$	\$	\$	\$
Consulting fees	408,342	272,000	614,842	564,500
Share-based compensation	422	3,486	844	6,973
	<b>408,764</b>	<b>275,486</b>	<b>615,686</b>	<b>571,473</b>

A summary of the consulting fees provided by the Company's officers is as follows:

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
	\$	\$	\$	\$
President and founder	15,000	15,000	30,000	30,000
CEO	126,339	84,125	163,839	159,125
Chairman	15,000	15,000	30,000	30,000
Chief Investment Officer	72,742	37,500	110,242	93,750
CFO	33,116	-	43,116	-
Chief Strategy Officer ("CSO")	13,762	56,250	26,262	112,500
Former CFO	-	64,125	-	139,125
Director	49,421	-	73,521	-
Chief Marketing Officer	35,763	-	65,763	-
Vice President, Business Development	47,199	-	72,099	-
Total	<b>408,342</b>	<b>272,000</b>	<b>614,842</b>	<b>564,500</b>

A summary of share-based compensation related to stock options and RSUs granted to the Company's officers is as follows:

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
	\$	\$	\$	\$
President and founder	-	1,388	-	2,778
CEO	422	1,056	844	2,112
Chairman	-	1,042	-	2,083
Total	<b>422</b>	<b>3,486</b>	<b>844</b>	<b>6,973</b>

A summary of the Company's amounts due to and from key management personnel is as follows:

	June 30, 2025	December 31, 2024
	\$	\$
Accounts payable and accrued liabilities	(126,050)	(336,774)
Convertible debentures <sup>(1)</sup>	-	(1,105,024)

(1) The convertible debentures are in respect of the EOS tranche which is payable to an affiliated entity of a director of the Company.

During the year ended December 31, 2024, the Company recorded an expected credit loss provision of \$145,760 (CHF 91,725) on advances to entities with common directors, following the closure of those entities.

The accounts payable and accrued liabilities balances relate to certain officers, bear no interest and have no specified terms of repayment.

**SPIRIT BLOCKCHAIN CAPITAL INC.**  
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**OUTSTANDING SECURITIES DATA**

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A summary of the Company's outstanding securities is as follows:

	June 30, 2025	MD&A Date
	\$	\$
Common shares	157,448,025	<b>157,448,025</b>
Stock options	2,133,711	<b>2,133,711</b>
Share purchase warrants	27,373,583	<b>26,309,297</b>
Compensation options	1,127,079	<b>1,127,079</b>
Non-vested restricted share units	910,222	<b>910,222</b>

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**SUBSEQUENT EVENT**

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On July 5, 2025, 1,064,286 share purchase warrants expired unexercised.

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**OFF-BALANCE SHEET ARRANGEMENTS**

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As at June 30, 2025 and the MD&A date, the Company has no off-balance sheet arrangements.

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**FINANCIAL INSTRUMENTS AND DIGITAL ASSETS RISK MANAGEMENT**

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As at June 30, 2025, the Company's financial instruments consist of cash, convertible notes receivable, investment, accounts payable and accrued liabilities and convertible debentures.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in the valuation techniques used to measure fair value as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The carrying value of cash and accounts payable and accrued liabilities approximate their respective fair values because of their short-term nature.

The Company's investment in private company and convertible notes receivable are classified as FVTPL and are recorded at fair value using unobservable inputs and are therefore classified as level 3 within the fair value hierarchy.

The Company's digital assets are measured using the revaluation model, as prescribed by IAS 38 *Intangible assets*. Initial recognition of digital assets is at fair value, which is the transaction price to purchase the digital asset.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. The Company's credit risk results from the following financial assets:

	June 30, 2025	December 31, 2024
	\$	\$
Cash	<b>132,858</b>	929,194
Investment	<b>68,215</b>	71,945
Convertible notes receivable	<b>156,838</b>	158,279
<b>Total credit risk associated with financial assets</b>	<b>357,911</b>	1,159,418

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The Company's exposure to credit risk associated with cash is minimal as the cash balances are held with major Canadian financial institutions and in trusts with a reputable law firm. The Company's credit risk primarily relates to convertible notes receivable. The maximum exposure to credit risk is equal to the carrying value of such financial asset.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. As a result, accounts payable and accrued liabilities as well as convertible debentures exposed the Company to liquidity risk. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt as required.

As at June 30, 2025, the Company's cash balance of \$132,858 (December 31, 2024 - \$929,194) will not be sufficient to meet its current obligations related to its accounts payable and accrued liabilities balance of \$1,065,740 (December 31, 2024 - \$1,134,285). Therefore, the Company has assessed its liquidity risk as high and will be required to raise additional capital in the future to fund its operations.

**Market risk**

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at June 30, 2025.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to price risk through its holding of digital assets. As at June 30, 2025, the Company held multiple digital assets which have a limited history and historically prices have been volatile. A 10% variance in price of these digital assets would impact the Company's comprehensive net loss by \$7,560 (December 31, 2024 - \$10,281). The Company is not exposed to any other significant price risks.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in currencies other than the Company's functional currency.

A summary of the Company's financial assets and liabilities and digital assets denominated in foreign currencies, expressed in Canadian dollars, is as follows:

	June 30, 2025	December 31, 2024
	\$	\$
<b>Assets</b>		
Cash	1,242	153
Digital assets	75,600	102,812
	<b>76,842</b>	<b>102,965</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	9,879	1,394
	<b>9,879</b>	<b>1,394</b>
	<b>66,963</b>	<b>101,571</b>

The Company has not entered any foreign currency contracts to mitigate this risk. A 5% shift in the exchange rates relative to the Canadian dollar would result in a foreign exchange gain or loss of approximately \$3,300 (December 31, 2024 - \$5,000).

## **SPIRIT BLOCKCHAIN CAPITAL INC.**

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

For the three and six months ended June 30, 2025 and 2024

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#### **Custody risk**

The Company holds its digital assets with several third-party custodians. The Company's custody strategy is designed to maximize liquidity and efficient sourcing of its digital assets by making those assets readily available to deploy. The Company constantly monitors its cash and the digital assets balance it maintains with its custodians.

Prior to onboarding a new custodian, the Company performs extensive due diligence procedures, which include, but are not limited to, internal control procedures to ensure security, availability, integrity and confidentiality of custodian's information and systems. The Company's custodian is SOC 2 Type II and ISAE 3402 certified and undergo a SOC 2 Type II and ISAE 3402 review on an ongoing basis. The Company reviews its custodian's SOC 2 and ISAE 3402 report to ensure they maintain a secure technology infrastructure and that their systems are designed and operating effectively. Additionally, the Company reviews its own complementary user entity controls in conjunction with the custodian's controls to ensure that applicable trust services criteria can be met. The Company has no reason to believe it will incur any expense associated with security breach, computer malware and computer hacking attacks because (i) it has no known or historical experience of claims to use as a basis of measurement, (ii) it accounts for and continually certifies the amount of digital assets within its controls, and (iii) it has established security around custodial private keys to minimize the risk of theft or loss.

#### **Loss of access risk**

The loss of access to the private keys associated with the Company's digital assets holdings may be irreversible and could adversely affect an investment. Digital assets controllable only by an individual that possesses both the unique public key and private key or key relating to the "digital wallet" in which the cryptocurrency is held. To the extent a private key is lost, destroyed or otherwise compromised and no backup is accessible, the Company may be unable to access the digital assets. The Company has assessed this risk as low due to no occurrence since inception of business.

#### **SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The accounting estimates, judgements and assumptions used in the preparation of the Financial Statements are consistent with those applied and disclosed in the Annual Financial Statements.

#### **RISKS AND UNCERTAINTIES**

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For a detailed listing of the risks and uncertainties faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2024 and 2023.

## **FORWARD-LOOKING STATEMENTS**

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Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document which includes, but is not limited to:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially than anticipated and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits, and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risks and Uncertainties" herein. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.