eXeBlock Technology Corporation
Management's Discussion and Analysis
For the periods ended November 30, 2024

This Management's Discussion and Analysis ("MD&A") provides a review of the performance of eXeBlock Technology Corporation (the "Company" or "eXeBlock") and should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company (the "Financial Statements") for the periods ended November 30, 2024 and November 30, 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A should also be read in conjunction with the audited financial statements and accompanying notes of eXeBlock Technology Corporation for the year ended August 31, 2024 which have been prepared in accordance with IFRS for annual financial statements. The MD&A, financial statements and other information, including news releases and other disclosure items are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedarplus.ca under the Company's profile. The common shares of eXeBlock Technology Corporation are traded on the Canadian Securities Exchange ("CSE") under the symbol "XBLK.X".

The information presented in this MD&A is as of January 28, 2025. The reporting currency for the Company is the Canadian dollar. All of the financial information presented herein is expressed in Canadian dollars, unless otherwise stated. This MD&A contains forward-looking statements that are subject to risk factors set out in a cautionary note contained herein. The reader is cautioned not to place undue reliance on forward-looking statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This MD&A contains "forward-looking information"; as such term is defined in applicable Canadian securities legislation. Forward-looking information is necessarily based on a number of estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies. All statements other than statements which are reporting results, as well as statements of historical fact set forth or incorporated herein by reference, are forward looking information that may involve a number of known and unknown risks, uncertainties, and other factors, many of which are beyond the Company's ability to control or predict. Forward-looking information can be identified by the use of words such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "intends", "continue", or the negative of such terms, or other comparable terminology.

This information includes, but is not limited to, comments regarding:

- the Company's business strategy and review of opportunities;
- the Company's plan and ability to secure revenues;
- the Company's hiring and retention of skilled staff;
- the ability to obtain financing to fund future expenditure and capital requirements; and
- the impact of the adoption of new accounting standards.

Although the Company believes that the plans, intentions, and expectations reflected in this forward-looking information are reasonable, the Company cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking information contained in this report. Disclosure of important factors that could cause actual results to differ materially from the Company's plans, intentions or expectations is included in this report under the heading *Risk Factors*.

Forward-looking information inherently involves risks and uncertainties that could cause actual results to differ materially from the forward-looking information. Factors that could cause or contribute to such differences include, but are not limited to, unexpected changes in business and economic conditions, including the global financial and capital markets; changes in interest and currency exchange rates; changes in operating revenues and costs; political or economic instability, either globally or in the countries in which the Company operates; local and community impacts and issues; labour disputes; environmental costs and risks; competitive factors; availability of external financing at reasonable rates or at all; and the factors discussed in this MD&A under the heading *Risk Factors*. Many of these factors are beyond the Company's ability to control or predict. These factors are not intended to represent a complete list of the general or specific factors that may affect the Company. The Company may note additional factors elsewhere in this MD&A. All forward-looking statements and information speak only as of the date made. All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements. Readers are cautioned not to put undue reliance on forward-looking information due to the inherent uncertainty therein. The Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

CORPORATE OVERVIEW

eXeBlock Technology Corporation (the "Company" or "eXeBlock"), formerly 1040433 B.C. Ltd. ("1040433"), was incorporated pursuant to the British Columbia Business Corporations Act on June 19, 2015. On August 18, 2017, the Company and eXeBlock Technology Inc. ("eXeBlock Inc.") entered into a Share Exchange Agreement ("SEA") under which the transaction was completed and the Company effected a change in directors, management, and business. The Company changed its name to eXeBlock Technology Corporation.

eXeBlock Inc., which was incorporated on July 11, 2017 under the laws of the Canada Business Corporations Act, was deemed to be the continuing entity for financial reporting purposes and therefore its historical operations, assets and liabilities were included in the comparative figures.

The Company's corporate office is Suite 1050, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7 and its administrative office is located at Suite 2001, 1969 Upper Water Street, Halifax, Nova Scotia, B3J 3R7. The registered office of Company is located at Suite 3200, 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7.

With the termination of the Company's merger agreement with Nodalblock Canada Holdings Inc. ("Nodalblock"), the CSE has determined that the Issuer has not met the continued listing requirements as set out in CSE Policy and deemed the Company to be inactive. Pursuant to CSE Policy, the Company may not rely on confidential price protection, nor may the Company complete any financing without prior CSE approval. An ".X" extension is added to the listed securities of the Company.

TERMINATION OF AGREEMENT TO ACQUIRE NODALBLOCK CANADA HOLDINGS INC.

The Company entered into a Merger Agreement dated as of December 4, 2020 with Nodalblock, pursuant to which the Company would have indirectly acquired all the issued and outstanding shares of Nodalblock, which would have resulted in a reverse takeover of the Company (the "Transaction").

On August 18, 2022, the Company agreed with Nodalblock, to mutually terminate their proposed amalgamation. In consideration of the early termination of the merger agreement, Nodalblock issued to the Company 350,000 common shares. The Company has recorded these shares at $0.55 per share, the issue price of the last arms-length financing completed by Nodalblock, resulting in other income and a fair value of $192,500 for the Company's investment in its shares of Nodalblock.

eXeBlock is proceeding with its review of alternate opportunities.

DIRECTORS AND OFFICERS

Ian Klassen – *Director, CEO & President*

Mr. Klassen has 30 years of experience in public company management, public relations, government affairs and entrepreneurialism. He has extensive experience in public company administration, finance, government and legislative policy, media relationship strategies and project management.

Mr. Klassen is the President of two North American mineral resource exploration companies and sits on the Board of Directors of several private and public companies. Prior to his management activities within private and public companies, Mr. Klassen held a variety of positions within federal Canadian politics including; Senior Political Advisor to the Minister of State (Transportation); and Chief of Staff, Office of the Speaker of the Canadian House of Commons.

Mr. Klassen graduated with an undergraduate Honours Degree from the University of Western Ontario in 1989. In 1992, Mr. Klassen received the Commemorative Medal for the 125th Anniversary of the Confederation of Canada in recognition of his significant contribution to his community and country.

Rob Randall – *Director, CFO& Corporate Secretary*

Mr. Randall has served as a CFO for a number of TSX Venture Exchange listed companies over the past twelve years and has extensive public company financial experience. Previously, he was the Corporate Controller for Etruscan Resources Inc. and NovaGold Resources Inc. and a principal with PricewaterhouseCoopers LLP. Mr. Randall graduated with a Commerce Degree from St. Mary's University in Halifax and obtained his CPA, CA designation with Coopers and Lybrand Chartered Accountants where he was appointed as a Principal in 1995. Mr. Randall has been the CFO of Sona Nanotech Inc. since August 2018; Antler Gold Inc. since November 2016; Torrent Capital Ltd. since August 2016 and E-Tech Resources Inc. since October 2021. He previously served as CFO for a number of other public companies from 2012 to 2017. He is a member of the Chartered Professional Accountants of Canada and Nova Scotia and the Past Chair of the Board and current Treasurer of the Nova Scotia Sport Hall of Fame.

Paul Thomson - *Director*

Mr. Thomson is Chief Executive Officer of Meridian DLT Inc. and formerly was Chief Compliance Officer and Dealing Representative at Numus Capital Corporation, an Exempt Market Dealer focused on investments in the private capital markets. Mr. Thomson also served as the Manager of Investor Relations at Numus Financial Inc., a venture capital firm formed in 2014 focused on early-stage, high-growth companies.

Mr. Thomson served on the Board of Governors of the University of King's College for eight years, where he was on the Executive Committee; Finance Audit and Risk Committee; and Advancement Committee. He also served on the University of King's College Alumni Association Board and its Finance Committee.

SELECTED FINANCIAL INFORMATION and RESULTS OF OPERATIONS

The following table sets out the financial operating results for the last eight fiscal quarters to November 30, 2024:

	Quarter ended November 30, 2024	**Quarter ended August 31, 2024** **$**	**Quarter ended May 31, 2024** $	**Quarter ended Feb 29, 2024** $	**Quarter ended Nov 30, 2023** $	**Quarter ended August 31, 2023** **$**	**Quarter ended May 31, 2023** $	**Quarter ended Feb 28, 2023** $
Professional and consulting fees	**28,992**	32,402	29,847	26,958	**33,338**	49,682	51,302	51,926
Rent and administrative costs	**7,895**	8,126	7,781	7,957	**7,868**	7,866	7,867	7,897
Securities and regulatory	**3,150**	3,002	2,675	5,430	**3,900**	2,300	2,300	2,643
Market development and advertising	**-**	-	486	-	**-**	-	406	1,642
Loss before other income and income taxes	**(40,037)**	(43,530)	(40,789)	(40,255)	**(45,106)**	(59,848)	(61,875)	(64,108)
Interest income	**3,325**	4,002	4,786	5,837	**5,168**	5,346	6,786	6,641
Net income (loss) / comprehensive income (loss) for the quarter	**(36,712)**	(39,528)	(36,003)	(34,418)	**(39,938)**	(54,502)	(55,089)	(57,467)
Income (loss) per share	**(0.001)**	(0.001)	(0.001)	(0.001)	**(0.001)**	(0.001)	(0.001)	(0.001)
Weighted average shares outstanding	**53,539,031**	53,539,031	53,539,031	53,539,031	**53,539,031**	53,539,031	53,539,031	53,539,031

Results of Operations for the periods ended November 30, 2024 and 2023

The Company reported a net loss in the period ended November 30, 2024 of $36,712 or $0.001 per share as compared to a net loss of $39,938 or $0.001 per share for the period ended November 30, 2023. The Company earned interest revenue of $3,325 in the current period and $5,168 in the comparable period.

In the period ended November 30, 2024, the Company incurred professional and consulting fees of $28,992 as compared to $33,338 in the prior period. In the current period, the Company incurred consulting services fees of $3,000 (2023 - $3,000) with Numus Financial Inc ("Numus") based on a monthly fee of $1,000. The Company also incurred consulting fees of $3,000 (2023 - $10,838) for services of its contract CFO and part-time CEO contract fees of $15,000 (2023 - $15,000).

In the period ended November 30, 2024, the Company incurred rental and administrative costs of $7,895 (2023 - $7,868). The Company incurred securities and regulatory fees of $3,150 (2023 - $3,900) associated with the ongoing listing requirements of the Canadian Securities Exchange.

In the current year and the last three years, the Company incurred no salaries or wages and benefits expenses. In 2020, the Company cancelled all remaining stock options.

LIQUIDITY AND CAPITAL RESOURCES

	At at November 30, 2024	**As at August 31, 2024**	**As at August 31, 2023**
		$	**$**
Cash	**322,195**	**353,445**	505,696
Investment	**192,500**	**192,500**	192,500
Total assets	**525,604**	**554,320**	714,969
Total liabilities	**75,621**	**67,626**	78,388
Shareholders' equity	**449,983**	**486,694**	636,581

As of November 30, 2024 the Company had cash resources of $322,195 (August 31, 2024 - $353,445). The working capital balance at November 30, 2024, is $257,483 (August 31, 2024 - $294,194).

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for annual operating expenditures, which are adjusted as input variables change. These variables include, but are not limited to, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing.

OFF-BALANCE SHEET ARRANGEMENTS

eXeBlock has no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to eXeBlock.

RELATED PARTY TRANSACTIONS

During the period ended November 30, 2024, the Company incurred consultancy fees of $3,000 (year ended August 31, 2024 - $12,000) with a related party, Numus. Numus provided services under a consultancy agreement for a fee of $1,000 per month which continues until both Numus and the Company mutually agree to terminate.

Numus and its principals are significant shareholders of the Company. Additionally, if the agreement with Numus is cancelled by the Company, a break fee of eighteen months of remuneration, being $18,000, will be payable to Numus, along with the service fees applicable for the 90-day notice period.

The agreement also provides for the rental of office space and general office services for $2,550 per month. The Company incurred office rental charges of $7,650 from Numus for the period ended November 30, 2024 (year ended August 31, 2024 - $30,600). If the office space and general office services agreement is cancelled by the Company without notice, a break fee of six months of remuneration, being $15,300, will be payable to Numus.

In addition, Numus shall have a first right of refusal to act as an advisor on an eXeBlock transaction for a fee of 1.25% of the value of the transaction and Numus, or its subsidiary, shall have a first right of refusal to act as an agent on all financings conducted by the Company.

The Company also incurred consulting and director fees to certain directors and officers. The following table summarizes the expenses incurred during the periods ended November 30, 2024 and 2023:

Related party	**Period ended November 30, 2024**	**Period ended November 30, 2023**
$	**$**	**$**
IMK Management Services Inc. – CEO fees of Ian Klassen	15,000	15,000
Randall Consulting Inc. – for services of Rob Randall, CFO and Corporate Secretary	3,000	10,838

As at November 30, 2024, the amount payable to related parties was $37,773 (August 31, 2024 - $41,897).

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Market Risk

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. An immaterial amount of interest rate exposure exists in respect of cash balances on the statement of financial position. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

Credit risk
Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. Cash is held with reputable banks in Canada. The long-term credit rating, as determined by Standard and Poor's, was A+.

RISK FACTORS

The Common Shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this MD&A, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the Common Shares held by them. An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment.

Limited Operating History
eXeBlock has a limited operating history. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets. There is no certainty that the Company will operate profitably.

No Profits to Date
eXeBlock has not made profits since its incorporation and it is expected that it will not be profitable for the foreseeable future. Its future profitability will, in particular, depend upon its success in defining a path forward with technology that has a defined path to profit. Because of the limited operating history, the changes in the business and the uncertainties regarding the development of blockchain technology, management does not believe that the operating results to date should be regarded as indicators for eXeBlock's future performance.

Additional Requirements for Capital
Substantial additional financing may be required if the Company is to be successful at pivoting to a technology business with revenue opportunities. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Negative Operating Cash Flow
eXeBlock does not generate operating revenue and has negative cash flow from operating activities. It is anticipated that the Company will continue to have negative cash flow in the foreseeable future. Continued losses may have the following consequences:

(a) increasing the Company's vulnerability to general adverse economic and industry conditions;
(b) limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures, operating costs, and other general corporate requirements; and
(c) limiting the Company's flexibility in planning for, or reacting to, changes in its business and industry.

Regulatory Risks
Changes in or more aggressive enforcement of laws and regulations could adversely impact the Company's business. Failure or delays in obtaining necessary approvals could have a materially adverse effect on the Company's financial condition and results of operations. Furthermore, changes in government, regulations and policies and practices could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

The legal status of crypto assets such as cryptocurrency varies substantially from country to country and is still undefined and changing in many. While some countries have explicitly allowed its use and trade, others have banned or restricted it. Likewise, various government agencies, departments, and courts have classified cryptocurrencies differently.

Regulatory agencies could shut down or restrict the use of platforms or exchanges using virtual currencies or blockchain based technologies. This could lead to a loss of any potential investment in crypto assets made by the Company and may trigger regulatory action by the BCSC or other securities regulators.

Cybersecurity risk
The Company's policies are designed to prevent, detect, and mitigate inappropriate access to its systems. It is possible that employees, service providers or hackers could circumvent these safeguards to improperly access the Company's systems or documents and improperly access, obtain or misuse digital assets that may be held in digital wallets the Company may have.

Development of Blockchain Technology
Blockchain technology is a rapidly growing business area. Currently, blockchain software is dependent on the widespread acceptance of cryptocurrency as a means of payment within the digital economy. For a number of reasons, including, for example, the lack of recognized security technologies, inefficient processing of payment transactions, problems in the handling of warranty claims, limited user-friendliness, inconsistent quality, lack of availability of cost-efficient high-speed services and lack of clear universally applicable regulation as well as uncertainties regarding proprietary rights and other legal issues, it cannot be ruled out that such cryptocurrency activities may prove in the long run to be an unprofitable means for businesses.

In particular, the factors affecting the further development of the cryptocurrency industry include:

- (a) Worldwide adoption and usage of bitcoins and other cryptocurrencies;
- (b) Regulations by governments and/or by organizations directing governmental regulations (such as the European Union) regarding the use and operation of and access to bitcoins and cryptocurrencies;
- (c) Changes in consumer demographics and public behavior, tastes and preferences;
- (d) Redirection and liberalization of using fiat currencies as well as the development of other forms of publicly acceptable means of buying and selling goods and services; and
- (e) General economic conditions and the regulatory environment relating to cryptocurrencies.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change
The success of blockchain platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. Cryptocurrency has experienced and is expected to continue to experience significant growth in the number of users, amount of content and bandwidth availability. It cannot be assured that the cryptocurrency infrastructure will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make cryptocurrency a viable medium for digital payments will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Company's services to changing technologies.

Changes in the Blockchain Network Protocol
The cryptocurrency network is based on a protocol governing the peer-to-peer interactions between computers that are connected to each other within the cryptocurrency network. The governing code regulating such math-based protocol is informally managed by a development team. This development team, though, might propose and implement amendments to the cryptocurrency network's source code through software upgrades altering the original protocol, including fundamental ideas such as the irreversibility of transactions and limitations on the validation of blockchain software distributed ledgers. Such changes to the original protocol and software may adversely affect an investment in the Company.

Recording of Transactions
It is feasible that blockchain validators will cease to record transactions in solved transaction blocks. In particular, transactions that do not include the payment of transaction fees will not be recorded on the blockchain until a transaction block is solved by validators who are not required to pay such transaction fees. Any widespread delays in the recording of transactions could result in a loss of confidence in the blockchain network which could adversely affect an investment in the Company.

Dependence on Third Party Relationships
The Company is dependent on a number of third-party relationships to conduct its business and implement expansion plans including the outsourcing of a variety of business functions ranging from accounting and bookkeeping services, server and email providers and similar vendors. It cannot be assured that all of these partnerships will turn out to be as advantageous as currently anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed or that any strategy agreement will be specifically enforceable by the Company.

Intellectual Property Rights
The only significant intellectual property rights are certain domain names which eXeBlock owns as well as the licenses which have to be in accordance with certain industry standards**.** The Company does not believe that it is dependent on any of these intellectual property rights; however, the loss of several of them at any one time could harm its business, results of operations and its financial condition. Although the Company is not aware of violating commercial and other proprietary rights of third parties, there can be no assurance that its products do not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Although no legal disputes in this respect or perceptible detrimental effects on eXeBlock business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm the Company's business, results of operations and financial condition.

Key Personnel
The future success of the Company will depend, in large part, upon its ability to retain its key management personnel and to attract and retain additional qualified marketing, sales and operational personnel to form part of its technical and customer services support center. The Company may not be able to enlist, train, retain, motivate and manage the required personnel. Competition for these types of personnel is intense. Failure to attract and retain personnel, particularly marketing, sales, and operational personnel as well as consultants, could make it difficult for the Company to manage its business and meet its objectives.

Conflicts of interest
The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA.

To the best of the Company’s knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest between the Company and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

CRITICAL ACCOUNTING POLICIES

eXeBlock's accounting policies and new accounting standards issued but not yet effective are disclosed in note 3, *Accounting Policies*, of the consolidated financial statements of eXeBlock Technology Corporation for the year ended August 31, 2024.

Information about critical accounting judgments and estimates in applying accounting policies that have the most significant impact on the amounts recognized in the audited consolidated financial statements are outlined below.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are initially measured at fair value. Financial assets are classified into one of the following specified categories: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the consolidated statements of loss and comprehensive loss.

The Company's financial instruments are classified and subsequently measured as follows:

Financial instrument	IFRS 9
Cash and cash equivalents	FVTPL
Investments	FVTPL
Accounts payable	Amortized cost

Impairment of financial assets at amortized cost

The Company recognizes an allowance using the expected credit loss ("ECL") model on financial assets classified as amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all accounts receivable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the consolidated statements of loss and comprehensive loss.

Income taxes

Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in the statements of changes in equity and not in the statements of loss and comprehensive loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The Company recognizes interest and penalties, if any, related to uncertain tax positions in income tax expense.

Deferred income taxes
Deferred income taxes are calculated using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, can be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted, or substantively enacted, at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside of profit or loss is recognized outside of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive loss or directly in equity.

ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates. Estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical accounting judgments and estimates in applying accounting policies that have the most significant impact on the amounts recognized in the audited consolidated financial statements are outlined below.

Going Concern
The assessment of the Company’s ability to continue as a going concern involves critical judgement based on historical experience and expectations of the Company’s ability to generate adequate financing. Significant judgements are used in the Company’s assessment of its ability to continue as a going concern.

Fair Value of investment in securities not quoted in an active market
Where the fair values of financial assets and financial liabilities recorded on the statements of financial position, including equities and warrants, cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible; where observable market data is not available, Management’s judgment is required to establish fair values.

Share-based payments
The Company makes certain estimates and assumptions when calculating the estimated fair values of stock options granted and warrants issued. The significant assumptions used include estimates of expected volatility, expected life, expected dividend rate and expected risk-free rate of return. Changes in these assumptions may result in a material change to the expense recorded for grants of stock options and the issuance of warrants.

Income taxes and recovery of deferred tax assets and liabilities
The measurement of income taxes payable and deferred tax assets and liabilities requires Management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

OUTSTANDING SHARE INFORMATION

The Company has authorized an unlimited number of common shares without par value. As at November 30, 2024 the Company had 53,539,031 issued and outstanding common shares. Subsequent to November 30, 2024, the Company completed a private placement financing issuing 22,000,00 shares and as at January 28, 2025, the Company had 75,539,031 common shares outstanding.

The Company had no common share purchase warrants, stock options, restricted share units or deferred share units outstanding as at November 30, 2024. In association with the above noted private placement financing, subsequent to November 30, 2024 the Company issued 2,315,625 share purchase warrants with an exercise price of $0.06 per share. As at January 28, 2025, there were 23,159,200 warrants outstanding with an exercise price of $0.06 and an expiry date of January 7, 2027.

OTHER INFORMATION

Additional information regarding the Company is available on the SEDAR website at www.sedarplus.ca and the Company's website at www.exeblock.ca.