

**INTELLBRIDGE TECHNOLOGY CORPORATION**

MANAGEMENT DISCUSSION AND ANALYSIS

MARCH 31, 2022

# INTELLABRIDGE TECHNOLOGY CORPORATION

Management Discussion & Analysis

For the three months ended March 31, 2022 and 2021

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## 1.1 Date

This Management Discussion and Analysis (“MD&A”) of Intellabridge Technology Corp. (formerly Cryptanite Blockchain Technologies Corp.) (the “Company” or “Intellabridge”) has been prepared by management as of March 31, 2022 and should be read in conjunction with the condensed interim consolidated financial statement and related notes thereto for the three months ended March 31, 2022 and the audited consolidated financial statements and related notes thereto of the Company for the years ended December 31, 2021 and 2020, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) and are reported in United States (“US”) dollars unless otherwise stated.

## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that may constitute “forward-looking statements”. Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, regulatory compliance, sufficiency of working capital, and business and financing plans. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made and they involve a number of material risks and uncertainties. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company’s ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

The Company has based the forward-looking statements largely on the Company’s current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond the Company’s control, include, but are not limited to: management’s expectations regarding the future business, objectives and operations of the Company; the Company’s anticipated cash needs and the need for additional financing; the Company’s ability to successfully complete future financings; the acceptance by the marketplace of new technologies and solutions; the Company’s expectations regarding its competitive position; the Company’s expectations regarding regulatory developments and the impact of the regulatory environment in which the Company operates; the Company’s ability to attract and retain qualified management personnel and key employees; and anticipated trends and challenges in the Company’s business and the markets in which it operates. Assumptions underlying the Company’s working capital requirements are based on management’s experience with other public companies. Forward-looking statements pertaining to the Company’s need for and ability to raise capital in the future are based on the projected costs of operating a cryptocurrency company and management’s experience with raising funds in current market circumstances. Forward-looking statements regarding treatment by governmental authorities assumes no material change in regulations, policies, or the application of the same by such authorities. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements with the risks set forth.

## 1.2 Overall Group Structure

Intellabridge Technology Corp. (the “Company” or “Intellabridge”, formerly Cryptanite Blockchain Technologies Corp.) was incorporated on June 24, 1988 under the laws of British Columbia.

On March 7, 2018, the Company completed a reverse takeover transaction (the “RTO”), which was effected pursuant to a merger agreement between Westbay Ventures Inc. and ChargaCard Inc. (“ChargaCard”), a private corporation existing under the laws of Delaware with its head office in Boulder, Colorado. As part of the transaction, the Company voluntarily delisted its common shares from the TSX Venture Exchange

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effective February 28, 2018, changed its name to Cryptanite Blockchain Technologies Corp. and commenced trading its shares on the Canadian Securities Exchange ("CSE") on March 12, 2018, under the symbol NITE.

Pursuant to the RTO, the Company issued an aggregate of 39,558,733 common shares of the Company in exchange for all of the issued and outstanding shares of ChargaCard and 2,000,000 share purchase warrants to warrant holders of ChargaCard. Upon closing of the transaction, the shareholders of ChargaCard owned 70% of the common shares of the Company and, as a result, the transaction is considered a reverse acquisition of the Company by ChargaCard. The Company changed its year end from May 31<sup>st</sup> to December 31<sup>st</sup> in order to align the fiscal year periods to that of ChargaCard.

In conjunction with the RTO, the Company raised capital through an equity financing consisting of 8,189,442 common shares of the Company at a price of CAD\$0.45 per share for gross proceeds of CAD\$3,685,249.

On August 7, 2018, ChargaCard incorporated a wholly owned subsidiary in Ukraine, Intellabridge LLC.

On October 9, 2018, the Company incorporated a wholly owned subsidiary in Malta, Cryptanite Ltd., to expand its business to the European market. Cryptanite Ltd. was providing the Virtual Financial Assets ("VFA") services in or from within Malta by functioning of the Company's Cryptanite App since its incorporation until October 2019. During the year ended December 31, 2019, management assessed the profitability of its operations of Cryptanite Ltd. with a view of new regulations of the Malta Financial Services Authority ("MFSA"). Based on the assessment, management decided not to reapply for a VFA Services License that was due for a renewal on or before October 31, 2019 according to the new regulations. Cryptanite Ltd was "Struck Off as Defunct", effective 28/12/2021. It means the Maltese Business Registry considers the Maltese Company closed or liquidated.

## 1.3 General Description of the Business

Intellabridge is a technology-based company developing financial solutions that give customers access to decentralized financial markets with additional layers of cybersecurity, consumer protection, and customer service. Intellabridge offers users self-custody services to empower them with complete transparency and control over their accounts and data through its Web3 platform. The Kash product features decentralized stablecoins, yield products, and investments, with plans to offer debit and virtual cards with Apple Pay and Google Pay.

In 2020 the Company provided IT services in blockchain and green tech. In Q2-Q4 2021 – Q1 2022 the Company decided to focus 100% on a decentralized financial application under the new brand name "Kash", based on its experience building the Cryptanite mobile exchange.

The Company has other proprietary technologies including the ChargaCard, Cryptanite, and BitDropGo application, components of which may be integrated into the "Kash" platform.

### Products

#### 1. ***Kash***

Kash is a Web3 financial peer-to-peer blockchain application with financial services similar to traditional banks, but leveraging stablecoin blockchain financial rails as an alternative to legacy fiat financial rails. With decentralized finance it is easy to send transfers with real-time instant settlement and at lower cost compared to TradFi payment rails. The "Kash" product is based on the Company's proprietary R&D and intellectual property, the result of three years of work in the blockchain space.

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## Other Intellectual Property:

### 2. ChargaCard

ChargaCard is a P2P payment processing platform for the informal credit markets. The platform makes it easy for individuals to pay their bills in installments and for service sector businesses to get paid on time and in full. The platform helps improve the receivables turnover ratio of service sector businesses and obviates the need for collection agents. At present, the application is not active as the Company focuses on development and marketing of its core assets. The ChargaCard lending component, scoring and ability to pay the bills are expected to be used in “Kash” application.

### 3. Cryptanite

The Cryptanite mobile app is a peer-to-peer cryptocurrency marketplace, making it easy for users to purchase, trade, send and receive cryptocurrencies and tokens. On October 24, 2019, the Company announced the official termination of the functioning of the app and began redesigning and rebuilding the app based on decentralized financial infrastructure.

### 4. BitDropGo

In September 2019, the Company completed the development and launched in the Google Play Market “BitDropGo”, an augmented reality advertising platform, powered by a digital asset rewards system. The product is B2B with a focus on retail merchant market and as a result of the Covid-19 crisis this project is on hold. The Company is exploring the opportunity of leveraging BitDropGo to promote the “Kash” application in the future.

## Blockchain Consulting & Professional Development Services

In December 2018, the Company entered into an agreement with One Feather Mobile Technologies Ltd (“OneFeather”), a British Columbia-based technology and consulting service provider focused on First Nations communities, to develop a comprehensive suite of blockchain-based software products including Smart Status Cards, vote management systems, member registrar management systems, digital wallets, and financial management and accounting solutions. This consists of a digital solution for First Nation sovereign identity and status card renewal, a government requirement that often remains incomplete due to the nature of the current renewal process. The Company was engaged to develop a solution utilizing blockchain technologies to enable more efficient status card renewal and status verification. Additionally, the Company created OneFeather’s digital wallet, a solution designed to address a number of issues faced by First Nations communities in Canada. Users will be able to register their sovereign identity on the wallet and easily integrate their Smart Status Card. Product features include full support of an inaugural First Nation cryptocurrency and token rewards, along with the ability to verify claims and transactions, issue GST rebate entitlements, and even allow for peer-to-peer transfers with other First Nations. This engagement was completed in June 2019.

In July 2019, the Company signed a Memorandum of Understanding with One Feather to further develop existing financial management and accounting software for OneFeather. This easy-to-use, cloud-based software is being designed specifically for Canadian First Nations. Featuring Smart Status Card and digital wallet integration, the suite will intend to produce an integrated application programming interface (API) compatible with the Canadian Federal Government, allowing for streamlined reporting, auditing, and money transfers. The contract was completed by December 31, 2019.

In January 2020, the Company started working with Hygge Power, building a mobile application for energy consumers. In Q3 of fiscal 2020, the Company finished the development services for Hygge and delivered the product.

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## 1.4 COVID-19 Pandemic

On March 11, 2020, COVID-19 was declared a global pandemic by the World Health Organization and has had extraordinary and rapid negative impacts on global societies, workplaces, economies and health systems. The impact of COVID-19 on Intellabridge's business in the near and mid-term due to the disruption of business activities throughout the world remains uncertain.

The safety of employees and customers continues to be a top priority. To mitigate the impact of COVID-19 on the Company and to align the expenditures with the reduction in demand and revenues, Intellabridge has restructured the team to provide remote services as needed based on client demand. Additionally, the Company applied for government support programs and qualified for \$10,000 under the Economic Injury Disaster Loans Program in the second quarter of 2020 which helped offset some negative earnings impact of COVID-19. The Company reduced payroll expenditure and eliminated all office expenses. Certain customers delayed payment of receivables and the Company continues to monitor the recoverability of trade receivables.

## 1.5 Selected Annual Information

		Year ended December 31, 2021	Year ended December 31, 2020		Year ended December 31, 2019
Total revenue	\$	0	83,041	\$	647,805
Gross profit	\$	0	34,146	\$	198,674
Net loss from continuing operations	\$	(1,041,869)	(355,938)	\$	(734,037)
Net loss for the period	\$	(1,041,869)	(355,938)	\$	(667,992)
Loss per share from continuing operations	\$	(0.02)	(0.01)	\$	(0.01)
Loss per share from discontinued operations	\$	-	-	\$	(0.00)
Loss per share	\$	-	(0.01)	\$	(0.01)
Total assets	\$	8,557,052	333,194	\$	493,741
Total long-term liabilities	\$	Nil	Nil	\$	Nil
Cash dividends declared per share for each class of share	\$	Nil	Nil	\$	Nil

The current year is the fifth year of operations of the Company since its incorporation. The Company completed its RTO on March 7, 2018 and incurred a total of \$3,211,128 in listing expenses, which comprises approximately 47 percent of the Company's net loss from continuing operations for 2018. Please also see 1.6 results of operations

## 1.6 Results of Operations

### Three months ended March 31, 2022

During the three months ended March 31, 2022, the Company recorded a net loss of \$797,791 compared to \$1,570,445 for the three months ended March 31, 2021. \$233,613 of the net loss for the three months ended March 31 was due application development expenses of Kash.

### **Continued operations**

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## **Revenues and profit**

During the three months ended March 31, 2022, the Company did not generate any revenue mainly due to management's focus on the development of the Kash application.

In Q1 to Q4, 2021 the Company partnered with Web3Auth (Torus) Web3 wallet solution, Transak and Ramp Network for fiat-crypto gateway and blockchain network Terra.

## **General and administrative expenses**

The Company's general and administrative expenses for the period ended March 31, 2022 were \$640,153 compared to \$104,299 in 2021, an increase of \$535,854. The increase in general and administrative expenses was primarily a result of the development process for "Kash" and the increased professional fees, advertising and marketing expenses.

The Company's increase in expenses was attributable to:

Advertising and marketing fees increased \$116,951 mainly due to the final stage of launching "Kash" and related marketing activities of the Company.

Research and development increased by \$214,620 due to final stage of development of "Kash".

Travel by \$17,704 due to increased business trips in 2022;

Professional fees increased by \$28,680 primarily due to legal services rendered for the Company during the period.

Regulatory and transfer agent fees decreased by \$7,580.

Amortization decreased by \$348;

Management fees and salaries increased by \$104,974 due to management fee payment to former director.

Office and administration expenses increased by \$42,758 mainly due to software purchase.

Rent and utilities increased by \$4,550 comparatively to 2021 due to termination of the lease agreement for the office premise in Kyiv, Ukraine in 2021 because of the Covid-19 pandemic;

In Q1 2022 the Company incurred brokerage fees in the amount of \$11,847.

## **Lease commitments**

The Company has no current lease commitments. The Company's previous commitment was terminated effective April 1, 2020. Under the terms of this sublease agreement, the Company was paying a monthly office rent of US \$2,500 plus applicable sales taxes.

## **Share-based compensation**

Share-based compensation of \$Nil (2021 - \$480) was recognized on Q1 2022 (see section 1.9 Related Parties Transactions);

## **Other items**

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During the period ended March 31, 2022, other items included the following:

- A revaluation loss of \$157,638 (2021 – gain \$2,083) as a result of marking to market the Company's digital currencies held in inventory;

### **Discontinued operations**

During the three months ended March 31, 2022, the Company recorded no results of discontinued operations. During 2021 \$Nil was recorded as net proceeds received on the sale of crypto-mining equipment. Management continues an active program to dispose of the facility.

### **1.7. Summary of Quarterly Results**

The following is a summary of certain unaudited financial information for each of the eight reporting quarters:

Quarter ended	Revenues	Gross Profit	Net Loss from continued operations	Net loss	Loss per share from continued operations
March 31, 2022	\$0	\$0	\$(797,791)	\$(797,791)	\$ (0.00)
December 31, 2021	\$0	\$0	\$(390,835)	\$(390,835)	\$ (0.00)
September 30, 2021	\$ -	\$ -	\$(368,147)	\$(368,147)	\$ (0.00)
June 30, 2021	-	-	(180,672)	(180,672)	(0.00)
March 31, 2021	-	-	(102,215)	(102,215)	(0.00)
December 31, 2020	(20,438)	(16,278)	(155,468)	(155,468)	(0.00)
September 30, 2020	21,580	3,201	(67,499)	(67,499)	(0.00)
June 30, 2020	34,399	21,225	(59,873)	(59,248)	(0.00)

March 2022 - the Company generated a loss of \$797,791 mainly because of application development costs and cryptocurrency revaluation losses. The Company continued the final stage of development of "Kash" application which is expected to generate revenue in Q3 2023.

December 2021 - the Company generated a loss of \$390,835 mainly because of application development costs. The Company continued the final stage of development of "Kash" application which is expected to generate revenue in 2023.

September 30, 2021 – the Company generated a loss of \$368,147 mainly because of the research and development costs, and increased marketing and professional and regulatory fees. The Company entered the final stage of development of "Kash" application which is expected to generate revenue in 2023.

June 30, 2021 – the Company generated a loss of \$180,672 mainly because of the research and development costs, and increased professional and regulatory fees. The Company entered the final stage of development of "Kash" application which is expected to generate revenue in Q3 2023.

March 31, 2021 – the Company generated a loss of \$102,215 mainly because of the loss on settlement of debt to related parties. The Company significantly reduced costs in overall operations.

December 31, 2020 – the Company generated a loss of \$20,438 in revenues mainly due to writing off invoices of OneFeather project, recorded in previous quarters. It also significantly reduced costs in overall operations. The Company continued the development of the "Kash" application, Private Beta was launched at the end of Q2, 2021.

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September 30, 2020 – the Company generated \$21,580 in revenues from three customers for development and IT services and significantly reduced costs in overall operations.

June 30, 2020 – the Company generated \$34,399 in revenues from two customers for development and IT services and significantly reduced costs in overall operations.

March 31, 2020 – the Company generated \$47,500 in revenues from two customers for development and IT services and significantly reduced costs in overall operations.

December 31, 2019 – the Company generated a gross profit of \$105,248 from the OneFeather application development project, which partially offset its general operating expenses of \$151,495.

September 30, 2019 – the Company didn't generate any revenue during this quarter, which resulted in a higher net loss reported during the period. Operating expenses were reduced by \$112,154 as compared to Q1 of 2019 and by \$47,082 as compared to Q2 of 2019 due to the Company's cost savings initiatives.

June 30, 2019 – the Company generated a profit of \$159,430 from the OneFeather application development project, which partially offset its general operating expenses of \$317,031 incurred during the quarter.

March 31, 2019 – the Company generated a profit of \$184,453 from the OneFeather application development project which partially offset its general operating expenses of \$382,103.

December 31, 2018 – At year end, the Company recognized impairment losses on the facility that is offered for sale, its investments in the JV Company and Canyon Capital's Halomoji project, impairment allowance on the data service security deposit and losses on discontinued crypto mining operations, which resulted in a significant increase in net loss. General operating expenses were consistent with the previous quarters.

## 1.8 Liquidity and Capital Resources

The Company reported working capital of \$7,708,152 at March 31, 2022 compared to working capital surplus of \$8,416,053 at December 31, 2021, representing a decrease in working capital of \$707,901.

In 2021 Company raised \$8,150,505. This amount includes \$7,855,460 raised in private placement of 8,064,517 shares with H.C. Wainwright & Co acting as the exclusive placement agent. In connection with share issue the Company incurred \$711,927 of share issuance costs. Amount of \$295,044 was raised in a non-brokered private placement on issue of 2,500,000 shares to ThreeD Capital Inc.

As at March 31, 2022, the Company had net cash on hand of \$4,766,775 compared to \$5,080,163 as at December 31, 2021, representing a decrease of \$313,388.

During the three months ended March 31, 2022, the Company used \$384,607 (2021 - \$126,034) of its cash in operating activities.

The Company spent \$6,472 (2021 – Nil) in its investing activities. The Company purchased office equipment.

The Company's current assets excluding cash consisted of the following:

	March 31, 2022	December 31, 2021
Government sales tax credits	\$ 18,458	\$18,019
Other receivables	\$ 1,252	\$ 1,284
Total Receivables	\$ 19,710	\$ 19,303
Prepays	\$ 10,424	\$ 148,129
Digital currencies at fair market value	\$ 2,814,669	\$ 3,004,248
Assets held-for-sale (Colorado property)	\$ 305,209	\$ 305,209



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Liabilities as at March 31, 2022 consisted of trade payables of \$143,970 (December 31, 2021 - \$81,855), and due to related parties of \$64,667 (December 31, 2020 - \$59,144).

## Risk Factors and Uncertainties

The Company can be exposed, in varying degrees, to a variety of financial related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts, which is mainly held with reputable US and Canadian banks. Therefore, credit risk on the Company's cash deposits is assessed as relatively low.

The Company's secondary exposure to credit risk is on its receivables, which consists of mainly trade receivables and refundable government sales taxes. Credit risk related to these receivables is assessed as low.

The Company was exposed to credit risk on its digital currencies that were held on different crypto exchange platforms. Management chooses reliable and legitimate platforms for its crypto transaction to minimize that risk.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring cash requirements to ensure that it is able to meet its short term and long term obligations and operational plans.

The Company reported working capital of \$7,708,152 at March 31, 2022 compared to working capital surplus of \$8,416,053 at December 31, 2021. Liquidity risk is assessed as low.

### Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

#### *(a) Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates and is subject to the movement in interest rates. Management considers the interest rate to be minimal.

#### *(b) Foreign currency risk*

The Company and its subsidiaries operate internationally, and during the year were exposed to foreign exchange risk arising from currency fluctuations, primarily with respect to the USD/CAD/EURO and UAH dollar rates.

Management regularly monitors exposure to foreign exchange risks, but does not have a current hedging policy in place.

#### *(c) Price risk*

The Company is exposed to digital currencies price risk due to the volatility of the industry.

## 1.9. Off-Balance Sheet Arrangements

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The Company did not enter into any off-balance sheet arrangements.

### 1.10. Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. During the three months ended March 31, 2022 and 2021, the remuneration of management fees to key personnel were as follows:

March 31,		2022		2021
Chief Executive Officer <sup>(a)</sup> (CEO)	\$	29,166	\$	22,999
Chief Operating Officer <sup>(b)</sup> (COO)		22,500		22,500
Chief Technology Officer <sup>(c)</sup> (CTO)		-		-
President <sup>(d)</sup>		-		-
Total	\$	51,666	\$	45,499

- (a) During the three months ended March 31, 2022, the Company paid or accrued salary of \$29,166 (2021 - \$22,999) to the CEO and director of the Company.

During the year ended December 31, 2020, the Company entered into a short-term loan arrangement with the CEO for a total of \$51,222. The loan is non-interest bearing and has a one-year repayment term. The Company determined that the rate implicit in the loan is at a market rate of 12% per annum. Accordingly, the Company recorded an initial benefit of the below-market interest rate loan of \$5,488 to the reserve. During the December 31, 2020 year, interest of \$1,448 was accrued and a benefit of \$1,293 was recognized in the statement of loss and comprehensive loss. During the year ended December 31, 2021, the loan was settled through a share issuance (Note 7).

As at March 31, 2022, a total of \$3,560 (March 31, 2021 - \$11,036) is due to the CEO. This amount is recorded in due to related parties.

- (b) On December 4, 2017, the Company entered into an Operations Management and Product Development Services contract with the COO and director of the Company for provision of management services in exchange for a monthly fee of \$7,500. The contract was for a one-year term with an extension for renewal for an additional year at the end of each year of the contract.

### RELATED PARTY TRANSACTIONS (cont'd)

During the three months ended March 31, 2022, the Company paid or accrued aggregate fees of \$22,500 (2021 - \$22,500) for management services pursuant to the above to the COO.

As at December 31, 2020, \$123,918 was due to the COO. During the three-month period ended March 31, 2021, a total of \$134,504 was converted to 1,699,050 common shares (Note 7). As at March 31, 2022, a total of \$41,107 (March 31, 2021 - \$11,168) is due to the COO. This amount is recorded in due to related parties.

- (c) As at March 31, 2022, a total of \$20,000 (December 31, 2021 - \$20,000) was due to the former CTO. This amount is recorded in due to related parties.

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- (d) During the year ended December 31, 2020, the company accrued management fees and commissions of \$3,700 to Katmando Holdings Inc., a company owned by Keith Turner, President of the Company. This was repaid during the year ended December 31, 2021.

### Other related party transactions and balances

- (a) On March 1, 2018, the Company entered into an administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by a former common director to provide administrative services to the Company for a period of three years in exchange for a monthly fee of CAD\$10,000 plus applicable taxes. At the end of the service term, the terms of the agreement are automatically renewed on an annual basis until either party provides notice of termination. This agreement was terminated effective March 1, 2020.

During the year ended December 31, 2021, \$35,771 of administrative fees which were due to VCC were fully repaid.

- (b) During the three months ended March 31, 2022, the Company recognized \$Nil (March 31, 2021 - \$480) in share-based compensation for the vested portion of the stock options previously granted to the President of the Company.
- (c) (a) During the three months ended March 31, 2022, the Company repaid \$98,807 to the former Director for the 3 years of service as a member of the Board of Directors of the Company (March 31, 2021 - \$Nil).

### **1.11. Subsequent Event**

Subsequent to March 31, 2022:

a) The Company issued 60,000 common shares to a director for services rendered, at \$0.59 per share for a total consideration of \$35,400.

b) There was an unexpected collapse of the Terra ecosystem. As a result of the collapse the following subsequent events have occurred:

I. The Company experienced a significant decrease in market value of their digital assets. As the number of Lunas remained virtually unchanged compared to the balance at December 31, 2021, the estimated impact on the Company's financials is that the Company's digital assets market value decreased by \$2,807,954 USD due to the unexpected Terra ecosystem collapse.

II. Due to the Terra ecosystem collapse, the Company engaged into building new features and products on the Ethereum blockchain (DeFi Pulse Index, Bankless, DeFi Innovation Index and a Metaverse Index).

III. Given the negative market conditions, some of the Company's personnel have been moved to hourly consulting status or terminated with the goal of reducing Company operating costs while maintaining a strong financial and cash position to support the new Ethereum product release and marketing strategy in 2022.

### **1.12. Proposed Transactions**

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None

## 1.13. Critical Accounting Estimates

Not applicable to venture issuers.

## 1.14. Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 3 of the consolidated financial statements of the Company, as at and for the year ended December 31, 2021.

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## 1.15. Financial Instruments and Other Instruments

The Company's financial instrument at FVTPL March 31, 2022 is as follows:

		<i>Level 1</i>		<i>Level 2</i>		<i>Level 3</i>
<b>Financial assets</b>						
Cash	\$	4,766,775	\$	–	\$	–

Cash deposits have been measured at fair value using Level 1 inputs. The carrying value of receivables, trade payables and due to related parties approximate their fair value because of the short-term nature of these instruments or their ability for prompt liquidation.

## 1.16. Other Requirements

Summary of Outstanding Share Data as at March 31, 2022:

Authorized - Unlimited common shares without par value

Issued – common shares: 72,507,476

Warrants – 11,169,355

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

On behalf of the Board of Directors, thank you for your continued support.

**John Eagleton**  
Director & CEO