CREDISSENTIAL INC.

(FORMERLY IMPACT ANALYTICS INC.)

Management's Discussion and Analysis

For the six months ended December 31, 2024

The following management discussion and analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements and accompanying notes ("Financial Statements") of Credissential Inc. (Formerly Impact Analytics Inc..) (the "Company") for the period ended December 31, 2024. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the financial position and results of operations of Credissential Inc. (formerly *Impact Analytics Inc*. or the "Company") for the six months ended December 31, 2024.

This MD&A should be read in conjunction with the Company's financial statements for the six months ended December 31, 2024, together with the accompanying notes found therein.

This document presents the views of management as at February 28, 2025. Additional information on the Company can be found on SEDAR at www.sedar.com.

Information contained in the Management Discussion and Analysis ("MD&A") is presented on the same basis as the financial statements and was prepared in accordance with International Financial Reporting Standards ("IFRS") and is presented in Canadian dollars, the Company's functional currency.

FORWARD-LOOKING STATEMENTS

The MD&A contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's financial condition, growth, results of operations, performance, financial needs, business prospects and opportunities. Forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology intended to identify forward-looking statements.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including but not limited to ongoing CRA policies that are favorable to the Company's business model, current market competition, general business and economic conditions, and the Company's ability to successfully execute its plans and intentions. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including, among other things, changes in government monetary, fiscal and economic policies; changes in general economic conditions; legislative and regulatory developments; competition.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements.

There have been no events or circumstances that have occurred during the year to which the MD&A relates, or to a period that is not yet complete, that are reasonably likely to cause actual results to differ materially from the forward-looking information identified in this MD&A.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this report.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

COMPANY BACKGROUND AND DESCRIPTION OF THE BUSINESS

Credissential Inc. (formerly Impact Analytics Inc.) (the "Company") was incorporated on January 28, 2020, pursuant to the provisions of the Business Corporations Act (Alberta), with its head office and registered office located at 210, 2020 – 4 Street SW, Calgary, Alberta, T2S 1W3. The Company's first fiscal year end was June 30, 2020.

The Company listed its shares on the Canadian Securities Exchange (CSE) on August 13, 2020 (Symbol "ACA"), it then changed its name on October 20, 2023 to Impact Analytics Inc. (Symbol "PACT") and is now identified by the symbol "WHIP" following its name change to Credissential Inc. on September 18, 2024.

The Company is focused on developing and providing risk assessment, data intelligence, and financial services platforms powered by artificial intelligence ("AI"). As part of this strategy, the Company is building a proprietary product stack to optimize and streamline financial decision-making for enterprises and individuals. The Company's flagship product, Credissential, is at the core of this initiative, aiming to revolutionize credit data storage, management, and application processes.

Historically, the Company engaged in forming subsidiaries and selling minority interests in those entities to arms-length purchasers, enabling debt securities of the subsidiaries to qualify for registered savings plans. However, the Company does not allocate management or capital resources to these subsidiaries and does not derive economic benefits from their operations. The Company's involvement is limited to the structuring of these entities, charging a base setup fee, a percentage of raised funds, and an annual fee. The agreements governing these subsidiaries strictly define permissible fees, prohibit additional compensation such as dividends, and require approval from minority shareholders for any modifications.

With its change of business announced on March 18, 2024, the Company has transitioned its focus to AI-driven financial solutions, leveraging technology to enhance efficiency and intelligence in financial services.

Significant Highlights

The following highlights and developments for the six months December 31, 2024 and year ended June 30, 2024 and to the date of this management discussion and analysis:

- Launched Credissentail enterprise on the App Store for iPad
- Expanded enterprise solution under Credissential to expand Dealerflow
- Changed its name to Credissential Inc.
- Closed transaction with Antenna Transfer Inc.
- Hired David Marod as conversational AI consultant
- Signed LOI to acquire Antenna
- Arranged and closed $5.35-million note offering
- Joined NVIDIA Developer Program to enhance AI abilities
- Signed beta testing deal with ApexSubmitted Credissential app to the Apple App Store
- Engaged Tri Nguyen as a scalable AI (artificial intelligence consultant) effective July 8, 2024
- Launched Credissential website
- Hired Milestone Capital for marketing
- Private beta launched its previously announced software, Credissential.
- Subsidiary PACT Cloud Ltd. has entered into a reseller agreement dated May 27, 2024, with Virtuozzo Inc.

- Launching of "Cloud for Clunkers" program aimed at upgrading outdated servers to more advanced cloud technologies.
- Expanding capacity by installing hardware at Hurricane centre in Calif, for improved device delivery.
- Incorporated a subsidiary, PACT Cloud Ltd.
- Joining the Open Infrastructure Foundation (OpenInfra) to support the development and adoption of open infrastructure on a global scale.
- Completing its minimum viable product - "Lana cash" project.
- Launching its Secure Data Vault product offering, intended for enterprise users
- Appointing Colin Frost as the new Chief Executive Officer (CEO) following the resignation of Eric Entz.
- Acquiring provisional patent rights to promote its Artificial Intelligence (AI) for its three commercial projects.
- Including four enterprise participants across industries such as financial services, environmental, social and governance and, auto lending advisory, to the "Pulse" program.
- Reengaging "Fairfax partners Inc." to provide social media services with a monthly budget of $10,000 plus approved expenses for the engagement.
- Entering a letter of intent with "Darkflow" joint venture partnership, aimed at integrating its technology for risk management and compliance.
- Commencing trading on a global securities app called "upstream," to enable investors access the Company's shares, and transact in real-time.
- Launching of an intelligent software pilot program called "Pulse" to enable partners to be able to gain early access to the company's current product suite and also to develop complementary products.
- Development of "Lana cash" risk assessment tool for risk profile checks and, intelligent data solutions.
- Launching of "Credissential" data storage and management product, further promoting its Artificial Intelligence (AI) initiative.
- Appointment of Dato Mawani as strategic advisor to expand reach in the Asia pacific region.
- Appointment of Mitch Johnstone as strategic advisor to enhance risk AI capabilities.
- Acquisition of AI hosting service and engagement of "Global One" to manage its social media channels.
- Partnering with Takada Asset Management to further the utilization and distribution of Impact Analytics' AI product offerings in the Asia Pacific region.
- Entered into a development service agreement with Research Laundry to advance its AI product development.

PRODUCTS UNDER DEVELOPMENT

The Company continues to advance its artificial intelligence product development initiatives with the goal of launching a stack of patentable technologies for commercialization in 2025.

Credissential and Dealerflow

Credissential aims to disrupt current methods of credit data storage, management and application via the transition of retail and commercial credit application systems into the digital realm. Credissential is being developed to provide a credit lock box or credit vault to users, whereby data, information and pertinent credit-related co-ordinates are securely stored, managed and seamlessly shared. It is expected that Credissential will actively update and aggregate data into one centralized application easily accessible by users, allowing users to:

- Apply for credit with the tap of the phone at participating institutions/vendors;
- Distribute a user's credit package to third parties for various credit centric applications.

Credissential expects to remove the manual process for credit seekers of aggregating pay stubs, asset statements, tax returns and other documents required to apply for a new credit product. Further, Credissential is being developed to reduce the requirement for potentially harmful credit checks, native to the traditional credit process. Credissential is being developed for all stages of a user's respective credit life cycles and financial objectives.

Credissential is in closed test beta development, and the company expects to submit the first iteration of the public app to the apple/google/amazon app stores by the end of July. From there, development and additions of additional features will continue to be launched. There are about 20 main targets for features to be added and the cost of launching the entire Credissential platform is estimated to be about $140,000, with expected completion to be within 6 months.

Antenna

On August 16, 2024, the Company completed its acquisition of Antenna Transfer Inc., a privacy-focused, encrypted file-sharing, and payment platform. The acquired proprietary technology will enhance Credissential's existing financial services by providing secure data management and encrypted transaction capabilities. The integration of Antenna's technology is expected to improve enterprise compliance, expand market reach, and provide additional revenue streams through enhanced cybersecurity offerings.

Antenna is a secure digital payment and file transfer platform designed to facilitate encrypted transactions while ensuring the privacy and integrity of transferred data. The platform enables users to exchange files in a secure environment, where access to the data is contingent on payment completion. With end-to-end encryption and fraud prevention measures, Antenna mitigates cybersecurity risks associated with online transactions. The platform is particularly suited for businesses and individuals seeking highly secure digital asset exchanges, offering seamless transactions through unique QR-based file transfers and encrypted financial processing. Antenna further has post-quantum cryptography to ensure heightened security.

During the quarter, the Company made advancements in Antenna functionality and security. The platform was successfully integrated with quantum encryption technology through a collaboration, enhancing protection against evolving cybersecurity threats, including risks associated with quantum computing. Additionally, the Company focused on improving transaction processing efficiency, refining the user experience. These developments reinforce Antenna Transfer's position as a file transfer solution, ensuring scalability and resilience as digital security demands continue to evolve.

Cryptocurrency Allocation Strategy

In January 2025, the Company implemented a strategic initiative to allocate up to $500,000 from its Canadian cash reserves to purchase cryptocurrencies, including XRP and XLM. As of the date of this MD&A, the Company has not yet purchased any cryptocurrency assets. Any future purchases will be conducted in compliance with applicable regulations and market conditions.

Integration of Privy Wallet & Quantum Encryption

While the Company has announced plans to integrate the Privy Wallet within the Antenna platform this initiative has not yet been implemented and is currently under development by the Company. The Company continues to evaluate the feasibility, security implications, and regulatory requirements before proceeding with these integrations.

The Company remains committed to expanding its technological capabilities and product suite through strategic initiatives while ensuring compliance with evolving regulatory requirements and market conditions.

On March 18, 2024, the Company described its change of business being to provide risk assessment, data intelligence and financial services platforms powered by AI (artificial intelligence). To this end, the Company is engaged in building a proprietary product stack to optimize and streamline financial decision making for enterprises and individuals. The Company is currently developing four commercial projects: two market entry applications: Credissential, Lana Cash, Antenna and the PACT platform.

During the six months ended December 31, 2024, the Company incurred development expenses as follows:

	Six months ended December 31, 2024 and December 31, 2023				
	Credissential	Lana Cash	PACT platform	Antenna	**Total**
Balance, December 31, 2023	-	-	-	-	**-**
Balance, December 31, 2024	$ 251,116	-	-	-	**$ 251,116**

MATERIAL ACCOUNTING POLICIES

A complete summary of the Company's material accounting policies is provided in the audited financial statements for the year ended June 30, 2024 and the condensed interim consolidated financial statements for the six months ended December 31, 2024.

CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of the condensed interim financial statements requires that the Company's Management make assumptions and estimates of uncertain future events on carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on the Company's financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The Company is also required to make critical judgements in applying certain accounting policies.

SELECTED FINANCIAL INFORMATION

The following selected financial information is derived from the financial statements of the Company for the six months ended December 31, 2024 (unaudited) and year ended June 30, 2024 (audited).

FINANCIAL POSITION HIGHLIGHTS

(in $)	As at December 31, 2024	As at June 30, 2024
Net working capital (deficiency)	$(2,118,175)	$ 110,891
Total current assets	360,189	977,703
Total assets	1,728,370	977,884
Total current liabilities	2,478,364	866,903
Total shareholders' equity	(749,994)	110,981

The current liabilities are primarily from payables to vendors that rendered services to the Company to further finance working capital and expand the business.

The following unaudited tables set out selected financial information for the Company over the last eight quarters of operations:

STATEMENT OF COMPREHENSIVE INCOME (LOSS) HIGHLIGHTS

	Quarter 2 December 31, 2024	Quarter 1 September 30, 2024	Quarter 4 June 30, 2024	Quarter 3 March 31, 2024
Revenue	-	-	$ 2,500	$ 3,750
Other income (loss)	-	-	$ 5,009	$ (5,041)
Expenses	$ 1,172,644	$ 6,516,399	$ 1,092,501	$ 1,320,722
Net income and comprehensive (loss)	$(1,186,533)	$(8,393,870)	$ (1,096,287)	$ (1,322,013)
Loss per share basic and diluted	$(0.03)	$(0.28)	$ (0.06)	$ (0.048)
	Quarter 2 December 31, 2023	Quarter 1 September 30, 2023	Quarter 4 June 30, 2023	Quarter 3 March 31, 2023
Revenue	$ 7,666	$ 8,244	$ 12,520	$ 12,976
Other income (loss)	-	-	-	-
Expenses	$ 343,113	$ 58,817	$ 18,388	$ 11,167
Net income and comprehensive (loss)	$ (335,447)	$ (50,573)	$ (5,868)	$ 1,809
Income (loss) per share basic and diluted	$ (0.013)	$ (0.008)	$ (0.001)	$ 0.001

CASH FLOW HIGHLIGHTS

	Quarter 2 December 31, 2024	Quarter 1 September 30, 2024	Quarter 4 June 30, 2024	Quarter 3 March 31, 2024
Net cash provided (used) by:				
Operating activities	$ (1,540,047)	$ (1,527,107)	$ (1,155,927)	$ (891,159)
Investing activities	$ (25,000)	$ (25,000)	-	-
Financing activities	$1,370,591	$1,358,591	$ 1,215,000	$ 786,996
Increase (decrease) in cash	$(194,456)	$(193,516)	$ 59,073	$ (104,163)
Cash beginning of period	$195,140	$195,140	$ 136,067	$ 240,230
Cash at end of period	$684	$1,624	$ 136,067	$ 136,067
	Quarter 2 December 31, 2023	**Quarter 1 September 30, 2023**	**Quarter 4 June 30, 2023**	**Quarter 3 March 31, 2023**
Net cash provided (used) by:				
Operating activities	$ (540,369)	$ 1,757	$ 19,772	$ (321)
Investing activities	-	-	-	-
Financing activities	$ 768,490	-	$ (13,953)	-
Increase (decrease) in cash	$ 228,121	$ 1,757	$ 5,819	$ (321)
Cash beginning of period	$ 12,109	$ 10,352	$ 4,533	$ 4,854
Cash at end of period	$ 240,230	$ 12,109	$ 10,352	$ 4,533

RESULTS OF OPERATIONS

SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

Net loss and comprehensive loss for the six months ended December 31, 2024, was approximately $9,580,403 (2023 - $386,020) and mainly attributable to the following:

- Professional fees increased by $11,613 from $252,458 during the six months ended December 31, 2023, to $264,071 during the six months December 31, 2024.

- General and administrative expenses decreased by $6,840 from $49,243 during the six months ended December 31, 2023, to $42,403 during the six months ended December 31, 2024.

- Development expenses increased by $251,116 from $nil during the six months ended December 31, 2023, to $251,116 during the six months ended December 31, 2024. This is due to costs incurred by the Company for its AI product development. In addition, there were reclassifications done from consulting expenses during the quarter.

- Director fees increased by $44,403 from $11,000 during the six months ended December 31, 2023, to $55,403 during the six months ended December 31, 2024. This is due to Director fees incurred by the Company for two of its directors during the quarter.

- Interest and Bank Charges decreased by $24,495 from $42,150 during the six months ended December 31, 2023, to $17,655 during the six months ended December 31, 2024. This is as a result of interest expenses incurred by the Company from outstanding promissory note payable.

- Consulting and investor relations expense increased due to reclassification of costs during the six months ended December 31, 2024 for marketing campaign in comparison to the six months ended December 31, 2023.

- Finders' fees increased by $316,366 from $nil during the six months ended December 31, 2023, to $316,366 during the six months ended December 31, 2024. This was due to finders' fees in respect to the convertible loan the Company entered into during the six months ended December 31, 2024.

- Transaction fees increased by $330,000 from $nil during the six months ended December 31, 2023, to $330,000 during six months ended December 31, 2024. This was due to transactions fees in respect to the convertible loan the Company entered into during the six months ended December 31, 2024.

- Share-based payments increased by $4,404,908 from $34,192 during the six months ended December 31, 2023, to $4,439,100 during the six months ended December 31, 2024. This was due to issuance of stock options and RSUs during the six months ended December 31, 2024.

SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

Net loss and comprehensive loss for the three months ended December 31, 2024, was approximately $1,186,533 (2023 - $343,113) and mainly attributable to the following:

- Professional fees decreased by $1,734 from $218,819 during the three months ended December 31, 2023, to $217,085 during the three months ended December 31, 2024.

- General and administrative expenses decreased by $22,594 from $40,594 during the three months ended December 31, 2023, to $18,000 during the three months ended December 31, 2024.

- Development expenses increased by $186,369 from $nil during the three months ended December 31, 2023, to $186,369 during the three months ended December 31, 2024. This increase is primarily due to costs incurred for the Company's AI product development.

- Director fees increased by $13,000 from $11,000 during the three months ended December 31, 2023, to $24,000 during the three months ended December 31, 2024. This was due to director fees incurred for two of the Company's directors during the quarter.

- Interest and bank charges decreased by $21,967 from $31,997 during the three months ended December 31, 2023, to $10,030 during the three months ended December 31, 2024. This reduction resulted from lower interest expenses on the Company's outstanding promissory note payable.

- Consulting and investor relations expenses increased due to the reclassification of costs for a marketing campaign during the three months ended December 31, 2024, compared to the three months ended December 31, 2023. Consulting expenses increased to $204,084 from $nil, and investor relations expenses increased to $402,332 from $8,844.

- Share-based payments decreased by $23,352 from $30,666 during the three months ended December 31, 2023, to $7,314 during the three months ended December 31, 2024.

- Travel expenses increased by $103,430 from $nil during the three months ended December 31, 2023, to $103,430 during the three months ended December 31, 2024 due to increased investor activity.

ACQUISITION OF ANTENNA TRANSFER INC.

On August 16, 2024, the Company closed its acquisition of Antenna Transfer Inc ("Antenna"). Under the terms of the definitive agreement, the Company issued 4,500,000 common shares valued at a total of $2,880,000 to Antenna's shareholders. Additionally, a cash payment of $25,000 was made. The consideration shares are subject to a 12-month lock-up period, after which 20% of the shares will be released each month. A finder's fee was also issued, amounting to 450,000 common shares valued at $288,000.

The acquisition of the Antenna constitutes an asset acquisition and has been accounted for under the acquisition method, as outlined in IFRS 3, Business Combinations. However, since the assets acquired did not qualify as a business under IFRS 3, the acquisition has been treated as a purchase of individual assets and liabilities.

The allocation of the purchase price to the assets acquired and liabilities assumed is based on their estimated fair values as of the acquisition date. The assets and liabilities have been included in the Company's consolidated financial statements starting from August 16, 2024.

During the period ended December 31, 2024, the Company recognized an intangible asset in the amount of $1,368,000. The difference between the purchase price and the identifiable net assets acquired have been recorded as excess consideration included as other expenses in the Company's loss and comprehensive loss.

	August 16, 2024
Consideration paid on asset acquisition:	**$**
Cash	25,000
Non-cash consideration (share exchange)	2,880,000
Non-cash consideration (shares issued for finders' fee)	288,000
Total consideration paid	**3,193,000**
Net assets (liabilities) of Antenna acquired:	**$**
Intangible asset	1,368,000
Accounts payable and accrued liabilities	(19,781)
Total identifiable net assets acquired	1,348,219
Excess consideration over net assets acquired	1,844,781
Excess consideration over net assets acquired	**3,193,000**

INTANGIBLE ASSET

On August 16, 2024, the Company acquired Antenna Transfer Inc. This acquisition included its proprietary intellectual property ("IP"), valued at $1,368,000 based on the reproduction cost method. The acquired IP is a privacy-focused, encrypted file-sharing and payment platform currently in its pre-revenue stage. The IP was valued using the reproduction cost approach, as this method most reliably estimates fair value in the absence of established revenues or cash flow projections.

Management has determined that the IP has an indefinite useful life due to the following factors:

- The IP is expected to generate economic benefits indefinitely as it can be continuously developed and adapted to evolving market needs.
- No foreseeable limit exists to the period over which the IP is expected to contribute to the Company's cash flows.
- The Company plans to maintain and upgrade the IP to sustain its utility and relevance.

As a result, the IP will not be amortized but will be subject to annual impairment testing.

Cost	**Developed technologies**
	$
Balance - June 30, 2024	**-**
Additions	1,368,000
Balance - December 31, 2024	**1,368,000**

The Company is actively developing its intellectual property portfolio, which includes proprietary algorithms for financial risk assessment and AI-powered data processing. The Company has filed provisional patents relating to its product suite and is pursuing further intellectual property protections.

The Company employs a multi-layered security approach to ensure compliance with financial regulations, including end-to-end encryption, enhanced authentication, and real-time AI monitoring for anomaly detection. While the integration of Antenna Transfer Inc.'s encrypted file-sharing technology remains a key strategic focus, the integration of the Privy Wallet has not yet been completed.

PREPAID EXPENSES

As at December 31, 2024, the Company had prepaid expenses of $359,505 (June 30, 2024 - $782,563). Prepaid expenses were paid as follows:

	December 31, 2024	June 30, 2024
	$	$
Business consulting services	-	54,583
Business development and project management	-	62,622
Salaries	-	12,413
Insurance	-	8,333
Legal	9,787	-
Advisory services	153,260	82,900
Investor relations	84,371	561,712
GST receivable	112,087	-
	359,505	782,563

PROMISSORY NOTE PAYABLE

As of December 31, 2024 the Company has issued the following promissory notes to 721785 N.B. Inc. (the "Lender"):

1. April 9, 2024: The Company issued a promissory note for a principal amount of $200,000, bearing interest at 10% per annum. A facilitation fee of $50,000 is also payable on demand. Interest is calculated annually in arrears and payable on demand. The note is repayable within 30 days of written demand by the Lender.
2. May 2, 2024: The Company issued a promissory note for a principal amount of $50,000, bearing interest at 10% per annum. A facilitation fee of $10,000 is payable on demand. Interest is calculated annually in arrears and payable on demand. The note is repayable within 30 days of written demand by the Lender.
3. May 9, 2024: The Company issued a promissory note for a principal amount of $50,000, bearing interest at 10% per annum. A facilitation fee of $10,000 is payable on demand. Interest is calculated annually in arrears and payable on demand. The note is repayable within 30 days of written demand by the Lender.

The total principal amount outstanding as of December 31, 2024, is $300,000, along with $70,000 in facilitation fees payable (included within accrued liabilities), and total accrued interest of $22,853. No demand for repayment has been made as of the reporting date.

Additionally, during the six months ended December 31, 2024, the Company had issued promissory notes to Marlin Capital Strategies Ltd. for $30,000 which were repaid during the period then ended.

Additionally, the Company issued promissory notes to 1440229 BC Ltd. for $7,000 and Harmony Consulting Inc. for $5,000 which remain outstanding as at December 31, 2024. Interest is calculated annually in arrears and payable on demand. The notes are repayable within 30 days of written demand by the Lender. No interest was accrued during the six months ended December 31, 2024, as notes were repaid in subsequent period.

CONVERTIBLE NOTE PAYABLE

On July 25, 2024, the Company entered into a subscription agreement with Helena Special Opportunities, LLC ("HSO" or "Investor"), pursuant to which the Company issued senior unsecured convertible debentures ("Convertible Notes") with a total principal amount of up to $5,350,000. The Convertible Notes are to be issued in tranches, with an initial tranche of $1,350,000 issued at closing and subsequent tranches of $250,000 each available at the mutual agreement of the Company and HSO over a 24-month commitment period. The Convertible Notes were issued at 80% of their principal value, representing a subscription price of $4,280,000.

The Convertible Notes mature 12 months from their respective issuance date unless earlier converted or redeemed.

The Company determined that there are several financial components of the Convertible Notes. The significant ones include the note payable, the embedded derivatives of the conversion rights, and the commitment fee liability. There is also a standalone equity component being the warrants issued. Additionally, the subscription agreement gives HSO 17 options, each entitling the holder to subscribe for a $250,000 tranche of Convertible Notes during the 24-month commitment period. Each tranche issuance is accompanied by warrants equal to 50% of the tranche value, exercisable for five years at a price equal to 125% of the common share price on the day prior to their issuance, which the Company determines to be another standalone equity component.

The Company elects to present the components of the Convertible Notes as a whole as a convertible loan liability at fair value through profit or loss (FVTPL). The fair value of the $1,350,000 initial tranche was determined to be $1,080,000 on the First Closing date of July 25, 2024, and the residual value of $nil was assigned to the warrants. The Company incurred $330,000 in transaction fees in respect to the issuance of the initial tranche of the convertible note. A commitment fee of $240,750 was satisfied through the issuance of additional Convertible Notes, which were recorded as a convertible loan liability and expensed at fair value.

During the six months ended December 31, 2024, the Company received conversion notices totaling $751,000 to reduce the loan liability and a change in fair value of $42,737 was recorded for the period then ended.

The fair value of the convertible loan payable at December 31, 2024 was $599,000. The fair value of the Convertible Note outstanding at a given date is determined by the total liabilities the Company would have to pay to the Investor assuming the Investor converts the Convertible Note on that date.

INVESTMENTS IN PRIVATE COMPANIES

The Company's subsidiary business is to sell minority interests in the subsidiaries it forms to arms-length purchasers ("Purchasers"), which allows debt securities of the subsidiaries to be eligible for registered savings plans. A registered savings plan is a registered retirement savings plan, registered education savings plan, registered retirement income fund, a tax-free savings account or other similar registered savings plan. The Purchasers use the capital raised at their own discretion, without reliance on the management or resources of the Company. The Company's management and capital are not committed to these subsidiaries, nor does the Company receive any economic benefit from the operations of the subsidiaries. The Company also does not pay for any fees for these subsidiaries.

As of December 31, 2024 and June 30, 2024, the Company owned the following subsidiaries:

	Cash Offer Capital Corp	**1328623 B.C. Ltd.**	**Blue Copper Asset Fund**	**100003581 Ontario**	**1469617 B.C. Ltd.**	**Total**
Place of Business	British Columbia, Canada	British Columbia, Canada	Alberta, Canada	Ontario, Canada	British Columbia, Canada	
Ownership, June 30, 2024 and December 31, 2024	60%	60%	60%	60%	60%	
Fair Value, June 30, 2024 and December 31, 2024	60	60	1	60	Nil	**$181**

SHARE CAPITAL

The Company has an unlimited number of Class A voting common shares, and an unlimited number of Class A, Class B and Class C preferred shares authorized for issue. In concurrence with its June 30, 2020 non-offering prospectus, the Company entered into an escrow agreement, and as of December 31, 2024, no Class A common shares are held in escrow.

Stock split

On October 6, 2023, the Company issued shares pursuant to a stock split of 4:1 basis and outstanding common shares increased from 6,472,100 common shares to 25,888,400 common shares directly following completion of the split. The corporation expects that the stock split will increase the liquidity and marketability of the common shares.

Share capital

Transactions for the issuance of share capital during the six months ended December 31, 2024:

During August 2024, the Investor converted a total $501,000 of the convertible note into 818,067 common shares of the Company at conversion prices between $0.62 to $0.71 representing a change of $28,848 in the fair value of the convertible note.

During August 2024, 513,856 common shares were issued upon the exercise of stock options with an exercise price of $0.62 for proceeds of $318,591. In addition, $190,200 representing the fair value initially recognized, was re-allocated from reserves to share capital.

On August 16, 2024, 4,500,000 common shares were issued at $0.64 per share for the acquisition of Antenna resulting in a total fair value of $2,880,000. An additional 450,000 common shares were issued at $0.64 per share in respect of a finders' fee associated with acquisition resulting in a fair value $288,000.

On August 21, 2024, 125,000 common shares were issued for $nil proceeds upon the exercise of RSUs. Additionally, $87,500 representing the fair value initially recognized, was re-allocated from reserves to share capital.

On October 16, 2024, the Investor converted a total $250,000 of the convertible note (note 7) into 1,388,888 common shares of the Company at a conversion price of $0.19 representing a change of $13,889 in the fair value of the convertible note.

On December 3, 2024, 250,000 common shares were issued for $nil proceeds upon the exercise of RSUs. Additionally, $175,000 representing the fair value initially recognized, was re-allocated from reserves to share capital.

On December 16, 2024, 30,000 common shares were issued for $nil proceeds upon the exercise of RSUs. Additionally, $21,000 representing the fair value initially recognized, was re-allocated from reserves to share capital.

Transactions for the issuance of share capital during the six months ended December 31, 2023.

During December 2023, the Company issued 1,129,140 units for gross proceeds of $564,570. Additionally, the Company had received $125,000 in share subscriptions received (included within share capital).

Warrants

The following is a summary of the changes in the Company's warrants activities for the period ended December 31, 2024:

	Period ended December 31, 2024		Year ended June 30, 2024	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of period	3,181,632	1.14	-	-
Issued	675,000	0.88	3,181,632	1.14
Warrants outstanding, end of period	**3,856,632**	**1.10**	3,181,632	1.14

Restricted Stock Units

On August 1, 2024, the Company issued an aggregate of 221,360 restricted share units to Directors, Officers, and Consultants of the Company. The shares vested immediately and are no longer restricted. The shares had a market price of $0.70 at vesting. The Company allocated the market value of $4,291,000 to share-based compensation and share capital. During the three months September 30, 2024, 1,000,000 (2023 – nil) RSUs were cancelled As a result, the original share-based payments expense of $700,000 (2023 - $nil) related to these RSUs was reversed.

On September 12, 2024, the Company issued an aggregate of 192,307 restricted share units to Consultants of the Company. The shares vested immediately and are no longer restricted. The shares had a market price of $0.52 at vesting. The Company allocated the market value of $100,000 to share-based compensation and share capital.

On September 26, 2024, the Company issued an aggregate of 1,025,000 restricted share units to an Officer and Consultant of the Company. The shares vested immediately and are no longer restricted. The shares had a market price of $0.52 at vesting. The Company allocated the market value of $533,000 to share-based compensation and share capital.

During the year ended June 30, 2024, the Company issued an aggregate of 221,360 restricted share units to two Directors of the Company. The shares vested immediately and are no longer restricted. The shares had a market price of $1.69 at vesting. The Company allocated the market value of $374,098 to share-based compensation and share capital.

	Period ended December 31, 2024	Year ended June 30, 2024
	Equity Incentives #	Equity Incentives #
Equity Incentives outstanding, beginning of period/year	221,360	-
Granted - RSUs	7,347,307	221,360
Exercised	(405,000)	-
Cancelled	(1,000,000)	-
Equity Incentives outstanding, end of period/year	**6,163,667**	221,360

Stock options

The fair value of the options was estimated using the Black Scholes option pricing model and the following weighted average assumptions: number of options – 5,160,000; share price - $0.0275; exercise price - $0.0275; expected life – 24 months; annualized volatility – 115%; quarterly dividend yield – 0%; risk-free rate – 4.94%.

On August 8, 2024, 513,856 stock options were granted to a consultant exercisable at $0.62 each, expiring on August 8, 2026, which vested immediately. Fair value was calculated using the following assumptions: expected life of options – two years, stock price volatility – 115.00%, no dividend yield, and a risk-free interest rate – 3.23%. Using the above assumptions, the fair value of options granted was $0.37 per option, for an aggregate total of $190,200.

On August 26, 2024, 10,000 stock options were granted to a consultant exercisable at $0.69 each, expiring on August 26, 2026, which vested immediately. Fair value was calculated using the following assumptions: expected life of options – two years, stock price volatility – 115.00%, no dividend yield, and a risk-free interest rate – 3.27%. Using the above assumptions, the fair value of options granted was $0.41 per option, for an aggregate total of $4,100.

On September 3, 2024, 50,000 stock options were granted to a consultant exercisable at $0.66 each, expiring on September 3, 2027, of which 50% vested immediately with the remaining 50% vesting On December 3, 2024. Fair value was calculated using the following assumptions: expected life of options – two years, stock price volatility – 115.00%, no dividend yield, and a risk-free interest rate – 3.05%. Using the above assumptions, the fair value of options granted was $0.42 per option, for an aggregate total of $20,800 ($13,486 vested during the three months ended September 30, 2024).

On September 25, 2023, the Company issued an aggregate of 1,290,000 stock options to certain Directors, Officers, and consultants of the corporation, with each option exercisable for one common share of the Company at an exercise price of $0.11 for two years from the date of grant. On October 6, 2023, the Company also issued shares pursuant to a stock split of 4:1 basis and outstanding share options increased from 1,290,000 common shares to 5,160,000 following the completion of the split.

On October 16, 2024, the Company issued 1,388,888 to the investor based on a convertible note conversion.

On November 13, 2024, the Company announced a brokered offering of up to 12,900,000 units at $0.12 per unit for gross proceeds of up to $1,548,000. Each unit consists of one common share and one common share purchase warrant, with a warrant exercise price of $0.16 for 60 months. Concurrently, the company announced a private placement of approximately $500,000, also priced at $0.12 per unit, with each unit consisting of one common share and one common share purchase warrant exercisable at $0.16 for 60 months. The agent will receive a 7.0% cash fee and compensation options for 7.0% of the units issued.

The following is a summary of the changes in the Company's stock option activities for the period ended September 30, 2024:

	Period ended December 31, 2024		Year ended June 30, 2024	
	Options #	Weighted average exercise price $	Options #	Weighted average exercise price $
Options outstanding, beginning of period/year	-	-	-	-
Granted	573,856	0.62	5,160,000	0.03
Exercised	(513,856)	0.62	-	-
Cancelled/forfeited/expired	-	-	(5,160,000)	0.03
Options outstanding, end of period/year	**60,000**	**0.67**	-	-

RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel are the people responsible for the planning, directing, and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by key management. The Company considers all directors and officers of the Company to be key management.

The following related parties transacted with the Company or Company controlled entities during the period:

a) Eric Entz was the former CEO of the Company and provided consulting services. He resigned as of September 30, 2024.

b) Colin Frost is the new CEO of the Company and provides consulting services. He was appointed as the new CEO as of September 30, 2024.

c) Joe Traversa, a Director of the Company provides consulting and director services.

d) Sebastian Lowes, a Director of the Company provides consulting services to the Company.

e) Laura Parken, the Corporate Secretary of the Company provides consulting services.

f) Robert Birmingham, a Director of the Company provides marketing services.

g) Stephen Brohman is the Company's new CFO effective September 15, 2024. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services (included within professional fees).

The aggregate value of transactions and outstanding balances with key management personnel and Directors and entities over which they have control or significant influence were as follows:

	Transactions six months ended December 31, 2024	Transactions six months ended December 31, 2023	**Balances outstanding December 31, 2024**	Balances outstanding June 30, 2024
	$	$	**$**	$
Eric Entz	-	-	-	2,500
Colin Frost (2)	60,000	-	40,000	7,097
Joe Traversa (2)	2,500	-	3,675	525
Sebastian Lowes (1)	75,000	-	65,720	27,468
Laura Parken	9,000	-	12,600	1,500
Robert Birmingham	3,000	-	4,075	525
DBM CPA	32,981	-	34,630	-
	182,481	-	**160,700**	39,615

(1) - Includes a bonus payment of $15,000

BUSINESS RISKS

Executive Management

the Company is dependent on members of its senior management and non-executive directors. The loss of one or more of these individuals could adversely affect the Company's business. the Company has minimized the impact of losing any one individual by cross-training senior management to assume a variety of roles within the Company.

Regulation

The Company is subject to various laws and regulations; any changes to these statutes, or court decisions, regarding their application could negatively impact the Company. Specifically, the Company's business model and shared ownership of its subsidiaries with third party Purchasers is reliant on regulations under the Income Tax Act, and there can be no assurance that the governments or regulators will not adopt laws or regulatory requirements that could adversely affect this line of business.

CREDIT RISK

Credit risk arises from the potential that a counterparty will fail to perform its contractual obligations and arises principally from the Company's receivables from customers and cash bank balances. The carrying amount of accounts receivable represents the maximum credit exposure.

At December 31, 2024, the Company had $684 in cash bank balances (June 30, 2024 - $195,140). The Company manages the credit exposure related to cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Company's ongoing liquidity will be impacted by various external events and conditions. Management regularly reviews future cash requirements to ensure adequate funds are available. The Company's management and directors have been funding any cash shortfall and it is expected that they will continue to do so.

At December 31,2024, the Company had $1,383,000 in accounts payable and accrued liabilities and a working capital deficit of $2,118,175.

REGULAROTY UNCERTAINTY IN AI AND FINANCIAL SERVICES

The Company is subject to evolving laws governing artificial intelligence, data privacy, and digital financial transactions. Changes in regulations, particularly in Canada, the United States, and Europe, could impose additional compliance costs or restrict certain business operations.

The Company actively monitors regulatory developments and engages with legal and compliance experts to ensure adherence to industry standards.

DATA PRIVACY AND CYBERSECURITY RISKS

The Company processes sensitive financial and personal data, which makes it a target for cyber threats. Any data breach or security failure could result in reputational damage, regulatory penalties, and financial losses.

The Company is assessing mitigating factors such as multi-layered encryption, continuous security audits, and AI-driven anomaly detection to identify and prevent cyber threats. It is also assessing international security frameworks, including GDPR and CPPA. No such assessments have been completed.

OPERATIONAL RISKS OF AI INTIGRATION

AI-driven decision-making models, while efficient, pose risks related to algorithmic bias, errors in risk assessment, and unintended financial impacts. These risks could lead to regulatory scrutiny or adverse business consequences.

The Company is assessing the need for regular audits of AI models, implementing fairness monitoring, and maintains human oversight on critical decision-making processes to mitigate biases and errors. No such assessments have been completed.

MARKET ADOPTION AND COMPETIVE PRESSURES

The Company operates in a highly competitive fintech and AI landscape. Established financial institutions and emerging startups may develop competing technologies, potentially limiting the Company's market share and revenue growth.

The Company prioritizes continuous innovation, strategic partnerships, and customer-focused product development to maintain a competitive edge. Investment in AI research and proprietary technology strengthens its differentiation in the market.

THIRD-PARTY RELIANCE RISKS

The Company depends on third-party providers for AI infrastructure, blockchain technology, and data storage. Disruptions, compliance failures, or changes in contractual terms with these vendors could impact business continuity.

The Company will be assessing to establish redundancy measures, alternative vendors, and contractual protections to ensure operational stability. Regular vendor audits are conducted to assess risk exposure. No such assessments have been completed.

INTELECTUAL PROPERTY PROTECTION RISKS

The Company's proprietary AI and blockchain technologies may be subject to intellectual property disputes, infringement claims, or regulatory intervention that could impact its ability to protect and commercialize its innovations.

The Company maintains a proactive IP strategy. It also engages in continuous monitoring for potential IP challenges.

CRYPTOCURRENCY MARKET VOLATILITY AND FINANCIAL EXPOSURE

Although the Company has announced a strategy to allocate funds for cryptocurrency purchases, no digital assets have been acquired as of the date of this MD&A. Cryptocurrency investments carry risks of price volatility, regulatory uncertainty, and liquidity constraints.

The Company will limit exposure, assess risk-adjusted returns, and ensure compliance with Canadian and international securities regulations before engaging in cryptocurrency transactions.

QUANTUM COMPUTING AND SECURITY RISKS

While quantum encryption has been identified as a future security enhancement, its integration has not yet been implemented. As quantum computing evolves, traditional encryption methods may become vulnerable.

The Company is actively evaluating post-quantum cryptography solutions and collaborating with security experts to future-proof its encryption systems.

INVESTOR RELATIONS

During the period, the Company engaged multiple investor relations and market awareness firms to enhance its visibility and communication with investors. The Company entered into agreements with RMK Marketing Inc., Outside the Box Capital Inc., Blue Summit Ventures Inc., Fairfax Partners Inc., Market One Media Group Inc., and Evolux Capital, among others, to provide services including investor outreach, corporate communications, social media engagement, and digital marketing. These engagements were structured as fixed-term contracts ranging from one to twelve months.

SHARE CAPITAL INFORMATION

Shares

As at December 31, 2024, there were 37,679,023 common shares issued and outstanding. As of the date of this MD&A the Company had 59,214,053 common shares issued and outstanding.

Stock Options

As of December 31, 2024 there were 60,000 stock options outstanding and the date of this MD&A, there were 2,060,000 stock options outstanding.

Warrants

As of December 31, 2024 there were 3,856,632 share purchase warrants outstanding and the date of this MD&A, there were 18,860,771 share purchase warrants outstanding.

Restricted Share Units

As of December 31, 2024 there were 12,875,000 Restricted Share Units outstanding and the date of this MD&A, there were 12,875,000 Restricted Share Units outstanding.

COMMITMENTS

The Company has no lease agreements or commitments for the period ended December 31, 2024.

SUBSEQUENT EVENTS

On January 6, 2025, the Company received a promissory note of $4,500 from Harmony Consulting Inc. Interest on the promissory will be calculated annually in arrears and payable on demand.

On January 17, 2025, the Company closed a LIFE Offering, in which the Company entered into an agency agreement with Beacon Securities Limited (the "Agent") whereby the Company issued a total of 12,060,968 units of the Company at a price of $0.12 per Unit for gross proceeds of $1,447,316. Each Unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price per warrant share of $0.16 for a period of 60 months from the date of issuance.

Concurrent with the Offering, the Company and the Agent completed a brokered private placement offering of 2,936,000 units at a price of $0.12 per unit for gross proceeds of $352,320. The units consist of one common share and one common share purchase warrant with warrant entitling the holder thereof to acquire one common share at a price per warrant share of $0.16 for a period of 60 months from the date of issuance.

On February 18, 2025, the Company has granted a total of 2,000,000 incentive stock options at a price of $0.08, and 2,000,000 Restricted Share Units of the Company to a consultant pursuant to its Omnibus Equity Incentive Plan adopted by the shareholders on February 23, 2024. The Options will expire two years from the date of grant and both the Options and RSUs will vest immediately, subject to the standard four month and one day hold period.

On February 20, 2025, the Company entered into a non-binding Letter of Intent ("LOI") to acquire 1000927675 Ontario Inc. dba CoinCmply ("CoinCmply") (www.coincmply.com), a private company specializing in cryptocurrency tax compliance solutions (the "Proposed Transaction") for Canadian and United States crypto users.

Under the terms of the LOI, at closing of the Proposed Transaction, the Company will issue an aggregate of 13,600,000 common shares in the Company (the "Consideration Shares") at a deemed price of $0.08 per Consideration Share (for an aggregate transaction value of CAD$1,088,000) to the shareholders of CoinCmply pro rata to their respective shareholdings in CoinCmply, pursuant to the terms of a definitive agreement (the "Definitive Agreement"). The Company and CoinCmply have agreed to a 15-business day exclusivity period during which the parties will work towards executing the Definitive Agreement.

During the subsequent period, the Investor converted a total $200,000 of the convertible note into 1,970,755 common shares of the Company at an average conversion price of $0.08.

During the subsequent period, 4,567,307 common shares were issued for $nil proceeds upon the exercise of RSUs.