



MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended December 31, 2021 and 2020
As at February 25, 2022

This Management Discussion and Analysis (“MD&A”) has been approved in accordance with a resolution of the Board of Directors of Cypherpunk Holdings Inc. (“Cypherpunk” or, the “Company”) dated February 25, 2022. It should be read in conjunction with the interim condensed consolidated financial statements of the Company as at and for the three months ended December 31, 2021 and 2020.

ABOUT CYPHERPUNK HOLDINGS INC.

Cypherpunk is a publicly traded company that is listed on the Canadian Securities Exchange (CSE) under the ticker HODL.

The Company is an actively managed crypto investment company. The core tenets of its investment thesis are privacy, self-sovereignty, and digital property rights (the “Thesis”). Cypherpunk executes its Thesis through three lines of effort:

- (1) Treasury management and diversified yield generation - The Company’s cryptocurrencies are primarily traded in active markets and are purchased to hold as a store of value for the long term. This is augmented by the Company’s risk management strategies to reduce volatility and generate yield. Cypherpunk holds a portfolio of asset tokens from an approved product list. Inclusions to the product list are a function of coin market capitalization and average monthly liquidity. The Company uses a number of structured products and OTC instruments for risk management and yield generation;
- (2) Private equity and venture capital – Cypherpunk’s private equity investment themes include privacy, gaming, DeFi, and blockchain. The Company employs a rigorous, analytical due diligence process that allows us to identify projects capable of rapid commercialisation. Cypherpunk works with and liaises closely with its investee companies, introducing growth opportunities and helping to ensure milestones are attained; and,
- (3) Active investments - to generate yield including IPv4 leasing and Bitcoin mining.

As at December 31, 2021, the Company had total assets of \$37.2 million and net book value of \$33.8 million. The Company’s cryptocurrency holdings consisted of 400.78 Bitcoin (“BTC”) and 361.61 Ethereum (“ETH”) with market values of \$23.4 million and \$1.7 million respectively, resulting in a combined market value of \$25.1 million. As at December 31, 2021, 37 of the Company’s BTC had been posted as collateral to Genesis Global Capital, LLC (“Genesis”) pursuant to the Company’s \$1.2 million loan from Genesis (the “Loan”). Cypherpunk currently has investments in six privately held technology development companies, four in the privacy sector, and two in the NFT/gaming sector.

SIGNIFICANT EVENTS IN THE THREE MONTHS ENDED DECEMBER 31, 2021

Treasury Management and Diversified Yield Generation

Cryptocurrencies - As at December 31, 2021, the Company’s cryptocurrency holdings consisted of 400.78 BTC and 361.61 ETH with market values of \$23.4 million and \$1.7 million respectively, resulting in a combined market value of \$25.1 million. During the three months ended December 31, 2021, through cash purchases and sales, coin swaps, dividends and interest, the Company BTC holdings decreased by 0.8 coins and its ETH holdings decreased

by 150.28 coins from the end of the prior period.

In June 2021, the Company entered into a master loan agreement with Genesis pursuant to which Cypherpunk may lend U.S. Dollars or digital currency to Genesis. In October 2021, the Company loaned 100 BTCs to Genesis (the "Second Bitcoin Loan"), 35 of which were loaned from the BTC the Company had pledged as collateral on the Loan. The Second Bitcoin Loan bears interest at 1% per annum, payable monthly in BTC, there is no maturity date and Cypherpunk has the option to demand immediate payment of a portion or the entirety of the Bitcoin Loan balance at any time. The principal value of the Second Bitcoin Loan was repaid in October 2021.

In November 2021, the Company entered into a master loan agreement with LedgerPrime Digital Asset Opportunities Master Fund LP ("LedgerPrime") pursuant to which Cypherpunk may lend U.S. Dollars or digital currency to LedgerPrime. In November 2021, the Company loaned 100 BTCs to the LedgerPrime (the "LedgerPrime Bitcoin Loan"). The LedgerPrime Bitcoin Loan bears interest at 3% per annum, payable monthly in BTC, there is no maturity date and Cypherpunk has the option to demand immediate payment of a portion or the entirety of the LedgerPrime Loan balance at any time.

Private Equity and Venture Capital

In August 2021, the Company acquired 2 million shares of Animoca Brands Corporation Limited ("Animoca") for total consideration of \$2.0 million. Animoca is a private Australian company operating in the digital entertainment, blockchain and gamification sectors. During the three months ended December 31, 2021, the Company recognized an unrealized gain of \$4.9 million on its Animoca investment in the interim condensed consolidated statement of comprehensive income.

During the three months ended December 31, 2021, the Company sold 3,642,000 (2020 - nil) of Sixty-Six Capital Inc. ("Sixty-Six") to hold nil shares and recognized a realized loss of \$113,129 (2020 - \$nil) in the interim condensed consolidated statements of comprehensive income.

During the three months ended December 31, 2021 the Company acquired a 176,470 subscription shares of GOAT Gaming Pte Ltd., a play-to-earn gaming platform, for consideration of US\$200,000 priced at US\$1.13333 per subscription share.

During the three months ended December 31, 2021 the Company invested 6 BTC (\$402,751) with Panxora Management Corporation ("Panxora"), a portfolio management and advisory company, authorizing Panxora to trade the Company's account with the goal of reducing return volatility.

Active Investments

During the three months ended December 31, 2021, the Company acquired 25 Bitmain S19J Pro miners (the "Equipment") which each produce 100 terahashes per second for total consideration of \$376,819. The Equipment has been leased to MineOn LLC, which will host and operate the machines in Iowa, USA for Cypherpunk pursuant to a managed mining and profit-sharing agreement.

COVID-19

Since early 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. In the current year, there has not been adverse impact on the Company liquidity, investments, expenditures or any other of its key business factors or operations but it is not possible to reliably estimate the length and severity

of these developments and the future impact on the financial results and condition of the Company. Through a thorough review of operating expenses and the scheduling of some expenditures, the Company is focused on prudently managing the Company's financial resources and planned activities pending a resolution of the COVID-19 pandemic.

OVERALL PERFORMANCE

Overview

- Total assets increased \$6 million to \$37.2 million (19%)
- Net book value increased \$6 million to \$23.8 million (22%)
- Increases due primarily to net gains on cryptocurrencies of \$1.7 million and unrealized gains on investments of \$4.7 million

Treasury Management and Diversified Yield Generation

As at December 31, 2021, the Company's cryptocurrency holdings consisted of 400.78 BTC and 361.61 ETH with market values of \$23.4 million and \$1.7 million respectively, resulting in a combined market value of \$25.1 million. As at December 31, 2021, 37 of the Company's BTC had been posted as collateral to the Loan.

During the three-month period ending December 31, 2021 cryptocurrency prices were volatile but ended the period higher, BTC increasing 5% and ETH increasing 22% during the period. BTC opened the period at US\$43,791, also its low for the period, attained its high of US\$67,544 in November, 2021 and closed out the period at US\$46,208. ETH opened the period at US\$3,002, also its low for the period, attained its high of US\$4,812 in November, 2021 and closed out the period at US\$3,677.

At the date of this report BTC and ETH had market unit values of US\$39,214 and US\$2,765, respectively.

The Company expects cryptocurrency prices to continue to be volatile with an upward trend and will continue to apply a treasury management and diversified yield generation approach to its core holding of crypto currencies, supported with risk management strategies to reduce volatility, and lending, staking and liquidity provisioning to generate yield.

In June 2021, the Company entered into a master loan agreement with Genesis pursuant to which Cypherpunk may lend U.S. Dollars or digital currency to Genesis.

In August 2021, the Company borrowed US\$1.7 million (\$2.2 million) from Genesis (the "Loan"), at an interest rate of 10.50% per annum, against which 60 BTC were pledged as collateral. The proceeds of the Loan were used to acquire the Animoca shares described above. In September 2021, Cypherpunk repaid US\$780,000 (\$993,567) of the Loan's principal.

In October 2021, the Company loaned 100 BTCs to Genesis (the "Second Bitcoin Loan"), 35 of which were loaned from the BTC the Company had pledged as collateral on the Loan, reducing the number of BTC pledged as collateral for the Loan to 37 BTC as at December 31, 2021. The Second Bitcoin Loan bears interest at 1% per annum, payable monthly in BTC, there is no maturity date and Cypherpunk has the option to demand immediate payment of a portion or the entirety of the Second Bitcoin Loan balance at any time. The principal value of the Bitcoin Loan was repaid in October 2021.

In November 2021, the Company entered into a master loan agreement with LedgerPrime pursuant to which Cypherpunk may lend U.S. Dollars or digital currency to LedgerPrime. In November 2021, the Company loaned 100 BTCs to the LedgerPrime Bitcoin Loan. The LedgerPrime Bitcoin Loan bears interest at 3% per annum, payable monthly in BTC, there is no maturity date and Cypherpunk has the option to demand immediate payment of a portion or the entirety of the LedgerPrime Bitcoin Loan balance at any time.

Investments

Highlights

- \$5.2 million increase in investments
- \$4.9 million unrealized gain in Animoca
- \$473,460 realized loss on Sixty-Six Capital Inc.
- Investments in GOAT, Panxora and cryptocurrency mining

	Quantity	December 31, 2021	Quantity	September 30, 2021
Animoca Brands Corporation Limited (a)	2,000,000	\$ 7,892,168	2,000,000	\$ 3,023,460
Chia Network Inc. (b)	19,860	548,718	19,860	551,999
GOAT Gaming Pte Ltd. (c)	176,470	255,248	-	-
NGRAVE.IO (d)	138,966	159,924	-	-
Panxora Management Corporation (e)	-	402,751	-	-
Sixty-Six Capital Inc. - Shares (f)	-	-	3,642,000	\$ 473,460
Streetside Development, LLC	1,429	126,516	1,429	126,516
zkSNACKS Limited - Shares (g)	4,500	445,027	4,500	445,027
		\$ 9,830,352		\$ 4,620,462

(a) Animoca Brands Corporation Limited

During the three months ended September 30, 2021, the Company purchased 2,000,000 shares of Animoca (2020 – nil) for a total cost of \$2,000,242 (2020 – \$nil). During the three months ended December 31, 2021, the Company recognized an unrealized gain of \$4,868,708 (2020 - \$nil) in the interim condensed consolidated statements of comprehensive income.

(b) Chia Network Inc.

During the year ended September 30, 2021, pursuant to the Company's Simple Agreement for Future Equity ("SAFE") investment in Chia Network Inc. ("Chia"), the Company received 19,806 shares of Series B Stock priced at US\$15.15 per share. The Company also exercised its participation rights and acquired 600 common shares of Chia at a price of US\$21.21. The Company recognized an unrealized loss of \$3,281 (2020 - \$18,210) in the consolidated statements of comprehensive income.

(c) GOAT Gaming Pte Ltd.

During the three months ended December 31, 2021 the Company acquired a 176,470 subscription shares of GOAT for consideration of US\$200,000 priced at US\$1.13333 per subscription share.

(d) NGRAVE .IO

During the three months ended December 31, 2021, the Company's convertible loan to NGRAVE.IO was converted into common shares of NGRAVE.IO pursuant to its convertible loan agreement. The Company received 138,966 NGRAVE.IO common shares at a deemed price of EUR 0.7936.

(e) Panxora Management Corporation

During the three months ended December 31, 2021 the Company invested 6 Bitcoin with Panxora, a portfolio management and advisory company, authorizing Panxora to trade the Company's account with the goal of reducing return volatility.

(f) Sixty-Six Capital Inc.

During the three months ended December 31, 2021, the Company sold 3,642,000 (2020 - nil) of Sixty-Six Capital Inc. ("Sixty-Six") to hold nil shares and recognized a realized loss of \$113,129 (2020 – \$nil) in the interim condensed consolidated statements of comprehensive income.

(g) zkSNACKS Limited

During the three months ended December 31, 2020, the Company acquired 4,500 shares in zkSNACKS Limited for \$337,500 U.S. Dollars resulting in a 4.5% stake in the company. There was no change in the ownership interest in 2021. During the year ended September 30, 2021, the Company received 2.7 Bitcoin with a value of \$121,574 as a dividend from zkSNACKS Limited which has been recorded in the consolidated statements of comprehensive income.

Active Investments

In February 2021, the Company purchased a package of IP addresses for USD \$393,216 (\$519,236). In March 2021, the Company secured a leasing arrangement generating a 14.8% yield per annum on the Company's original investment.

In August 2021, the Company purchased a package of IP addresses for USD \$327,680 (\$419,345). The package of IP addresses known as IPv4 Subnet 206.206.64.0/18 is intended to be leased to generate operating revenues.

During the three months ended December 31, 2021, the Company acquired 25 Bitmain S19J Pro miners (the "Equipment") which each produce 100 terahashes per second for total consideration of \$376,819. The Equipment has been leased to MineOn LLC, which will host and operate the machines in Iowa, USA for Cypherpunk pursuant to a managed mining and profit-sharing agreement.

SUBSEQUENT EVENTS

On January 25, 2022, the Company announced that it sold 450,000 shares of Animoca at a price of \$3.58 for gross proceeds of \$1,612,000, and on February 22, 2022, the Company announced that it sold 350,000 shares of Animoca at a price of \$3.73 for gross proceeds of \$1,305,500. The Company continues to hold 1,200,000 Animoca ordinary shares.

On February 22, 2022, the Company announced that received a dividend from zkSNACKS Limited in the amount of 3.6 Bitcoin with a value of \$168,810.

Between October 26, 2021 and November 1, 2021, agreements with certain consultants were terminated which resulted in the expiration of 600,000 options which were outstanding at December 31, 2021.

SELECTED QUARTERLY INFORMATION

The below selected quarterly information summarizes the financial information for the last eight quarters.

	Dec-21	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other income	29,438	(1,430)	25,007	13,282	1,493	1,406	2,302	8,290	12,265
Dividend income	16,336	(13,440)	-	135,014	-	-	-	-	-
Realized gain (loss) on investments	(113,120)	-	-	(3,910)	-	170,546	-	765	-
Unrealized gain (loss) on investments	4,715,936	1,071,164	(188,431)	(36,420)	(595,510)	826,030	389,300	(366,400)	(487,696)
Expenses	961,353	580,010	1,297,118	456,193	433,995	526,668	303,461	(47,696)	164,792
Income (loss) before taxes	3,687,237	611,298	(1,460,542)	(483,241)	(1,028,012)	470,687	88,141	(309,649)	(639,596)
Tax Recovery	-	1,186,000	-	-	-	231,000	-	-	-
Income (loss) for period	1,797,298	1,797,298	(1,460,542)	(483,241)	(1,028,012)	701,687	88,141	(309,649)	(639,596)
Net unrealized gain (loss) on cryptocurrencies	1,312,848	7,700,091	(11,591,776)	10,402,125	2,713,743	777,375	821,287	(255,974)	(796,731)
Net realized gain (loss) on cryptocurrencies	210,394	(302,741)	218,836	-	1,302,751	112,368	-	-	(627)
Tax that may be reclassified to profit or loss	-	(3,068,000)	-	-	-	(233,013)	-	-	-
Accumulated other comprehensive income (loss)	9,327,095	7,803,853	3,474,503	14,847,443	4,445,318	428,824	(227,906)	(1,049,193)	(793,219)
Net income (loss) per share (basic and diluted)	0.02	0.01	(0.01)	-	(0.01)	0.01	-	-	(0.01)
Total current assets	6,960,164	1,386,017	7,750,345	10,812,101	2,074,387	503,539	524,986	608,416	1,004,862
Total current liabilities	1,519,964	1,507,320	372,203	237,938	277,805	186,114	232,450	128,762	108,724
Total assets	37,230,469	31,230,861	23,487,650	35,223,067	12,556,303	6,855,628	5,025,044	4,010,969	4,558,649

In the quarterly periods, the main items are the unrealized gains or losses from the adjustments to fair value of investment holdings and cryptocurrencies, the latter recognized in other comprehensive income (loss). There is also income earned from interest earned on the bank accounts, investments, and from lease and profit sharing agreements. In the last fiscal year, the Company changed its accounting policy for its cryptocurrency holdings, as a result all realized and unrealized gains and losses on its cryptocurrency holdings are recorded in other comprehensive income (loss), which is a component within equity and described in note 1 of the interim condensed consolidated financial statements.

Expenses variances are due to the gain or loss in foreign exchange that fluctuates over the quarters due to the variances in the foreign exchange rates, mainly the US dollar, and for the variance of the cash and cryptocurrencies balances that are denominated in such currency. Increased expenses in the three months ended December 31, 2021 are mainly due to increased stock-based compensation and consulting costs. Other general expenses variances are mainly composed of technical consulting, corporate and administrative expenses.

The main components of total assets of the Company are cash, cryptocurrencies, investments, and intangible assets. Total assets variances from quarter to quarter are mainly due to increase in cash from the Company's private placements in Q2 2021 (March 2021), investments in cryptocurrencies and investments, and the fair value variances of the cryptocurrencies and investments.

Results of Operations

Comparison of the three months ended December 31, 2021 and 2020

The total comprehensive income for the three months ended December 31, 2021 ("Q1-22") decreased \$173,111 to \$5,420,873 compared to total comprehensive income of \$5,593,984 for the three months ended December 31, 2021 ("Q1-21"). The variances are summarized as follows:

- During Q1-22 there is a \$1,523,242 unrealized gain on cryptocurrencies versus an unrealized gain of \$5,319,245 during Q1-FY21, mainly due to the more positive variance in the value of BTC in Q1-21.
- In Q1-22 there is a \$210,394 realized gain on cryptocurrencies versus a realized gain of \$1,302,751 in Q1-21. In Q1-22 the realized gain was due to the Company's sale of 204 ETH for cash, the proceeds were used to fund general working capital, investments and subsequent cryptocurrency purchases, and the sale of 9

BTC used to fund the Panxora and Goat investments. In Q1-21 the realized gain is due to the sale of ETH from which the proceeds were used in the purchase and sale of BTC to fund the NGRAVE investment and for working capital.

- In Q1-22 there is a \$113,129 realized loss on investments a versus a realized loss of \$nil in Q1-21 due to loss on the sale of 3,642,000 shares of Sixty-Six in Q1-22.
- In Q1-22 there is a \$4,715,936 unrealized gain on investments, due mainly to an increase in the fair value in the shares of Animoca, compared to an unrealized loss on investments of \$595,510 in Q1-21, due to an unrealized loss on the fair value of Sixty-Six.
- In Q1-22, total expenses are \$961,353, an increase of \$527,358 compared to expenses of \$433,995 in Q1-21, the increase in expenses is mainly due to the following:
 - \$556,091 of stock-based compensation in Q1-22 compared to \$nil in Q1-21, due to the recognition of options granted to officers, directors, and consultants.
 - \$28,120 of foreign exchange loss, compared to \$334,711 in Q1-21, a decrease in loss of \$306,591 due mainly to the recognition of unrealized foreign exchange gains and losses on cryptocurrencies, the Company's largest foreign exchange holdings, in other comprehensive income.
 - \$159,824 of consulting expenses in Q1-22 compared to \$48,583 in Q1-21, an increase of \$111,241, mainly due to the engagement of additional management and executive consultants in Q1-22 compared to the prior period;
 - \$96,110 of G&A expense compared to \$17,435 in Q1-21, an increase of \$78,675 mainly due to increased interest, custody, and web-site development costs in Q1-22.
 - \$65,000 of amortization expense versus \$nil in 2020, due to the recognition of amortization expense related to the acquisition of cryptocurrency mining Equipment in Q1-22 and IPv4 assets in fiscal 2021, subsequent to the end of Q1-21;

FINANCIAL AND CAPITAL MANAGEMENT

Outstanding Share Data

At December 31, 2021

Common shares outstanding:	160,070,718
Options to purchase common shares:	14,650,000
Warrants:	27,573,442

At February 25, 2022

Common shares outstanding:	160,070,718
Options to purchase common shares:	14,050,000
Warrants:	27,573,442

Cash Flow

For the three months ended December 31, 2021, the net cash inflow is 140,743 due to \$353,183 of net cash received from the sale of cryptocurrencies and investments, offset by \$200,017 used in operations and \$12,000 from financing activities. For the three months ended December 31, 2020, the net cash inflow is \$1,408,699 mainly due to the \$1,406,809 from the sale of cryptocurrencies, \$150,000 received from a shareholder in advance of the

private placement closed on January 18, 2021 and \$15,000 from warrants exercise, offset by \$163,110 of cash used in the operating activities.

FINANCIAL RISK FACTORS

Capital Management

The Company manages and adjusts its capital structure, based on the funds available to the Company, in order to support the investment in cryptocurrencies and blockchain companies. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers capital to be its capital stock, warrant, and stock option components of shareholders' equity.

To effectively manage the Company's capital requirements, the management has in place a planning, budgeting, and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient working capital and planned future capital raises to meet its short-term business requirements, taking into account its anticipated cash flow from operations and its holding of cash and cash equivalents and short-term investments.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to capital restrictions other than described in note 12 of the interim condensed consolidated financial statements.

There were no changes in the Company's approach to capital management during the three months ended December 31, 2021.

Safeguarding of Cryptocurrency Assets

The Company retains one third-party custodian (the "Custodian") to safeguard its cryptocurrency assets; Coinbase Custody Trust Company, LLC ("Coinbase") to hold the Company's Bitcoin and Ethereum cryptocurrency assets. The Custodian is responsible for holding and safeguarding the Company's cryptocurrency assets and has not appointed a sub-custodian to hold certain cryptocurrency assets.

Coinbase, located at 200 Park Avenue South, Suite 1208, New York, NY 10003, is regulated by the New York Department of Financial Services (NYDFS) and operates as an independently capitalized entity. Coinbase is a fiduciary under § 100 of the New York Banking Law and is licensed to custody its clients' digital assets in trust on their behalf. As a New York state-chartered trust, Coinbase is held to the same fiduciary standards as national banks and is a qualified custodian for purposes of § 206(4)-2(d)(6) of the Advisers Act, commonly called the custody role.

Cypherpunk is not aware of anything with regards to the Coinbase's operations that would adversely affect the Company's operations and there are no known security breaches or other similar incidents involving the custodian as a result of which the Company's cryptocurrency assets have been lost or stolen.

Coinbase holds 100% of the Company's bitcoin holdings and carries an annually renewed commercial crime policy, with Coinbase Global Inc., Coinbase's parent company, as the named insured.

In the event of a bankruptcy or insolvency Cypherpunk will enforce its rights under the Custodial Services Agreement through Arbitration under the laws of the State of New York, and will be in contact with Coinbase's Regulator, the New York State Department of Financial Services, as well as Coinbase's named insurer.

The due diligence Cypherpunk performed on Coinbase included confirmation that an annual SOC 1 audit report pertaining to internal controls over financial reporting, as well as an annual SOC 2 audit report pertaining to controls related to operations and compliance were completed by Coinbase, a review of negative news related to Coinbase, and a review of online training and tutorials offered by Coinbase.

The Company utilizes one trading platform (the "Platform") to purchase and sell its cryptocurrency assets as well as Gemini Trust Company LLC ("Gemini") to purchase and sell Bitcoin and Ethereum cryptocurrency assets. The Platform is responsible for receiving deposits of US dollars, or cryptocurrency, and enabling trades on an order book-based exchange. The Company has a policy to not store Cryptocurrency assets on the Platform for extended periods of time, and assets are stored on the Platform only for as long as is practically required to execute trades. Furthermore, the Company has a policy to not leave in excess of \$2,000,000 U.S. Dollars of assets on the platform at any given time. This limit is subject to change based on management's risk assessment of the Platform.

Gemini, located at 315 Park Avenue South, 18th Floor, NY, USA, is regulated by the New York Department of Financial Services (NYDFS) and operates as fiduciary under § 100 of the New York Banking Law and is licensed to custody its clients' digital assets in trust on their behalf. As a New York state-chartered trust, Gemini is held to the same fiduciary standards as national banks and is a qualified custodian for purposes of § 206(4)-2(d)(6) of the Advisers Act, commonly called the custody role.

Cypherpunk is not aware of anything with regards to the Gemini's operations that would adversely affect the Company's operations and there are no known security breaches or other similar incidents involving the custodian as a result of which crypto assets have been lost or stolen.

The due diligence Cypherpunk performed on Gemini included receiving confirmation that an annual SOC1 audit report pertaining to internal controls over financial reporting as well as an annual SOC 2 audit report pertaining to controls related to operations and compliance were completed by Gemini. A review of negative news related to Gemini and a review of online training and tutorials offered by Gemini were also completed.

Risk Disclosures

Exposure to credit, interest rate, cryptocurrency and currency related risks arises in the normal course of the Company's business.

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, causing the other party to incur a financial loss. The Company limits its credit risk by placing its cash with high credit quality financial institutions and with cryptocurrency exchanges on which the Company has performed internal due diligence procedures. The Company deems these procedures necessary as some exchanges are unregulated and not subject to regulatory oversight. Furthermore, cryptocurrency exchanges engage in the practice of commingling their clients' assets in exchange wallets. When cryptoassets are commingled, transactions are not recorded on the applicable blockchain ledger but are only recorded by the exchange. Therefore, there is risk around the occurrence of transactions, or the existence of period end balances represented by exchanges.

As at December 31, 2021, the Company holds \$1,017,500 in cash and cash equivalents at high credit quality financial institutions, \$17,098,781 in cryptocurrencies at a custodian regulated by the New York Department of Financial Services and \$2,162,627 of cryptocurrencies posted as collateral pursuant to a loan payable. The Company's due diligence procedures around exchanges and custodians utilized throughout the period include, but are not limited to, internal control procedures around on-boarding new exchanges or custodians which includes review of the exchanges or custodians anti-money laundering ("AML") and know-your-client ("KYC") policies by the Company's chief investment officer, constant review of market information specifically regarding the exchanges or custodians security and solvency risk, setting balance limits for each exchange account based on risk exposure thresholds and preparing weekly asset management reports to ensure limits are being followed and having a fail-over plan to move cash and cryptocurrencies held on an exchange or with a custodian in instances where risk exposure significantly changes.

There is no significant credit risk with respect of receivables.

Interest Rate Risk

The Company has no exposure to interest rate risk since there are no outstanding debts or other payables subject to interest charges at the end of the reported periods.

Cryptocurrencies Risk

Cryptocurrencies are measured at fair value less cost to sell. Cryptocurrency prices are affected by various forces including global supply and demand, interest rates, exchanges rates, inflation or deflation and political and economic conditions. Further, cryptocurrencies have no underlying backing or contracts to enforce recovery of invested amounts. The profitability of the Company is related to the current and future market price of cryptocurrencies; in addition, the Company may not be able to liquidate its inventory of cryptocurrencies at its desired price if necessary. Investing in cryptocurrencies is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for such currencies change rapidly and are affected by a variety of factors, including regulation and general economic trends.

Cryptocurrencies have a limited history; their fair values have historically been volatile, and the value of cryptocurrencies held by the Company could decline rapidly. A decline in the market prices of cryptocurrencies could negatively impact the Company's future operations. Historical performance of cryptocurrencies is not indicative of their future performance.

Many cryptocurrency networks are online end-user-to-end-user networks that host a public transaction ledger (blockchain) and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many cryptocurrency transactions, the recipient or the buyer must provide its public key, which serves as an address for a digital wallet, to the seller. In the data packets distributed from cryptocurrency software programs to confirm transaction activity, each party to the transaction user must sign transactions with a data code derived from entering the private key into a hashing algorithm, which signature serves as validation that the transaction has been authorized by the owner of the cryptocurrency. This process is vulnerable to hacking and malware and could lead to theft of the Company's digital wallets and the loss of the Company's cryptocurrency.

Cryptocurrencies are loosely regulated and there is no central marketplace for exchange. Supply is determined by a computer code, not a central bank. Additionally, exchanges may suffer from operational issues, such as delayed execution, which could have an adverse effect on the Company.

The cryptocurrency exchanges on which the Company may trade on are relatively new and, in many cases, largely unregulated, and therefore may be more exposed to fraud and failure than regulated exchanges for other assets. Any financial, security, or operational difficulties experienced by such exchanges may result in an inability of the Company to recover money or cryptocurrencies being held on the exchange. Further, the Company may be unable to recover cryptocurrencies awaiting transmission into or out of the exchange, all of which could adversely affect an investment of the Company. Additionally, to the extent that the digital asset exchanges representing a substantial portion of the volume in digital asset trading are involved in fraud or experience security failures or other operational issues, such digital asset exchanges' failures may result in loss or less favorable prices of cryptocurrencies, or may adversely affect the Company, its operations, and its investments.

Furthermore, crypto-exchanges engage in commingling their client's assets in exchange wallets. When crypto-assets are commingled transactions are not recorded on the applicable blockchain ledger but are only recorded by the exchange. Therefore, there is a risk around the occurrence of transactions or existence of period end balances represented by exchanges.

Loss of access risk

The loss of access to the private keys associated with the Company's cryptocurrency holdings may be irreversible

and could adversely affect an investment. Cryptocurrencies are controllable only by an individual that possess both the unique public key and private key or keys relating to the "digital wallet" in which the cryptocurrency is held. To the extent a private key is lost, destroyed, or otherwise compromised and no backup is accessible the Company may be unable to access the cryptocurrency.

Irrevocability of transactions

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred cryptocurrencies may be irretrievable. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer or theft generally will not be reversible, and the Company may not be capable of seeking compensation.

Hard fork and air drop risks

Hard forks may occur for a variety of reasons including, but not limited to, disputes over proposed changes to the protocol, significant security breach, or an unanticipated software flaw in the multiple versions of otherwise compatible software. In the event of a hard fork in a cryptocurrency held by the Company, it is expected that the Company would hold an equivalent amount of the old and new cryptocurrency following the hard fork.

Air drops occur when the promoters of a new cryptocurrency send amounts of the new cryptocurrency to holders of another cryptocurrency that they will be able to claim a certain amount of the new cryptocurrency for free.

The Company may not be able to realize the economic benefit of a hard fork or air drop, either immediately or ever, for various reasons. For instance, the Company may not have any systems in place to monitor or participate in hard forks or airdrops.

Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. The Company's investments are susceptible to other market risk arising from uncertainties about future prices of the instruments. The Company moderates this risk through the various investment strategies within the parameters of the Company's investment guidelines.

As of December 31, 2021, management's estimate of the effect on equity to a +/- 10% change in the market prices of the Company's investments, with all other variables held constant, is \$983,035.

Foreign Currency Risk

The Company is exposed to foreign currency risk on financial assets and liabilities that are denominated in a currency other than the Canadian dollar. The currencies giving rise to this risk are primarily the U.S. dollar and the Euro, the balance of net monetary assets in such currencies as of December 31, 2021 is \$(961,932) (2020 – 167,035). Sensitivity to a plus or minus 10% change in the foreign exchange rates would result in a foreign exchange gain/loss of \$96,193 (2020 - \$16,704).

Liquidity Risk

The Company is exposed to liquidity risk primarily as a result of its trade accounts payable as well as the risk of not being able to liquidate assets at reasonable prices. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2021, the Company had cash and cash equivalents balance of \$1,017,500 (2020 - \$1,894,078) to settle accounts payable and accrued liabilities of \$356,581 (2020 - \$277,805). All of the Company's trade accounts payable have contractual maturities

of less than 30 days and are subject to normal trade terms.

Fair Value Hierarchy

The fair value of the Company's loan payable and cash and cash equivalents are not materially different from the carrying values given the short term nature.

Recurring fair value measurements (financial and non-financial assets)

(i) Fair value hierarchy

The Company records certain financial instruments or assets on a recurring fair value basis as follows:

Recurring fair value measurements - December 31, 2021	Level 1	Level 2	Level 3
Financial assets at fair value through FVTPL			
Listed equity investments	\$ -	\$ -	\$ -
Equity investment	-	7,892,168	-
Other equity investments	-	-	1,938,184
Non financial assets at fair value through other comprehensive income			
Convertible loan receivable	-	-	-
Cryptocurrencies	-	17,098,781	-
Cryptocurrencies pledged as collateral	-	2,162,627	-
	\$ -	\$ 27,153,576	\$ 1,938,184
Recurring fair value measurements - September 30, 2021			
Financial assets at fair value through FVTPL			
Listed equity investments	\$ 473,460	\$ -	\$ -
Equity investment	-	3,023,460	-
Other equity investments	-	-	1,123,542
Non financial assets at fair value through other comprehensive income			
Convertible loan receivable	256,112	-	-
Cryptocurrencies	-	20,334,429	-
Cryptocurrencies pledged as collateral	-	4,021,203	-
	\$ 729,572	\$ 27,379,092	\$ 1,123,542

The Company defines its fair value hierarchy as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g., other public markets) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

In the current period, one of the equity investments is available to market participants in a market that is not regulated. Access to the market is not restricted and subsequent to December 31, 2021 the Company accessed the market and disposed of 800,000 shares of Animoca in two tranches, 450,000 shares at a price of \$3.58 per share for gross proceeds of \$1,611,959 and 350,000 shares at a price of \$3.73 per share for gross proceeds of \$1,305,500.

The Company exercised significant due diligence and judgement and determined that this presence and availability of this market was the most advantageous market and utilised the pricing available in the market as an estimate of the fair value of the investment. In addition, The Company's cryptocurrencies, convertible loan, and assets held as collateral are classified as Level 2 determined by taking the price from www.coinmarketcap.com as of 24:00 UTC.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) *Valuation techniques used to determine fair values:*

Specific valuation techniques used to fair value financial instruments, specifically those that are not quoted in an active market. These are development stage companies, as such the Company utilised a market approach:

- a) The use of quoted market prices in active or other public markets
- b) The use of most recent transactions of similar instruments
- c) Changes in expected technical milestones of the investee
- d) Changes in management, strategy, litigation matters or other internal matters
- e) Significant changes in the results of the investee compared with the budget, plan, or milestone

(iii) *Transfers between levels 2 and 3*

There were no transfers between levels 2 and 3 during the three months ended December 31, 2021 and 2020.

(iv) *Valuation inputs and relationships to fair value*

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements (see above for valuation techniques adopted):

Description	Fair Value		Unobservable	Range of inputs
	December 31, 2021	September 30, 2021	Inputs	December 31, 2021
Unlisted equity investments	\$ 1,938,184	\$ 1,123,542	Timeline for milestones	N/A

(vi) *Valuation processes*

The Investment Committee includes a team that performs the valuations of all items required for financial reporting purposes, including level 3 fair values. This team collaborates with the chief financial officer ("CFO") and the audit committee ("AC"). Discussions of valuation processes and results are held between the CFO, AC, and the valuation team at least once every three months which is in-line with the Company's reporting requirements. The main Level 3 inputs derived and evaluated by the Company's team are the timeline for expected milestones and assessment of the technical matter relating to the technology.

The Company performed a sensitivity analysis on the carrying value of its Level 3 assets and noted that a 20% decrease would result in a \$387,637 decrease in fair value.

Accounting Policies

This MD&A should be read in conjunction with the Company's interim condensed consolidated financial statements and notes as at and for the three months ended December 31, 2021 and 2020. For additional information on the Company's significant accounting policies and methods used in preparation of the Company's 2020 interim condensed consolidated financial statements and notes, please refer to Note 2 of the audited interim condensed consolidated financial statements as at December 31, 2021.

The interim condensed consolidated financial statements as at December 31, 2021 and 2020 are presented on a going concern basis.

The preparation of financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, income, and expenses. Actual results may differ from those estimates.

Critical Accounting Estimates and Judgements

The preparation of interim condensed consolidated financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, income, and expenses. Significant estimates and assumptions include fair value of the Level 2 and Level 3 investments and the estimated useful economic life of the IP addresses. Actual results and outcomes may differ from management's estimates and assumptions due to risks and uncertainties. To the extent that there are material differences between these estimates and actual results, the Company's interim condensed consolidated financial statements will be affected. The Company based its estimates on historical experience and on various other assumptions that are believed to be reasonable; the result of which forms the basis for making judgments about the carrying values of assets and liabilities, as well as reported amounts during the reported periods.

Accounting for cryptocurrencies - The Company accounts for its cryptocurrencies as Intangible assets which are recorded at fair value using the revaluation model under IAS 38 with changes in fair value recorded in other comprehensive income. There was significant judgment applied by the Company in making this assessment as accounting for cryptocurrencies depends on the nature of the asset, the use of the asset including the expected timeline or use, and how the asset is held. This judgement included consideration of the operations, strategy, and intent of management. The Company classifies its cryptocurrency holdings as noncurrent and as an intangible asset, based on the Company's overall strategy to hold a portfolio of asset tokens from an approved product list in order to buy/sell to risk-manage long positions. The Company also assessed the industry and what would appropriately reflect the operations of the Company. With the guidance under IFRS, there was significant judgment by management in determining the accounting for cryptocurrencies as well as the classification. As the Company's operations mature together with the industry, the accounting and classification of cryptocurrencies continue to be sources of critical judgment and estimation.

Classification of cryptocurrencies as intangible assets - The Company classifies its cryptocurrency holding as noncurrent and as intangible assets, based on the Company's overall strategy to hold a portfolio of asset tokens from an approved product list in order to buy/sell to risk-manage long positions.

Valuation techniques of certain investments (Level 2 and Level 3) - The fair value of investments is measured using an income or market approach. The determination of the fair value requires significant judgement by the Company and include the use of the milestone method analysis and other valuation techniques.

COVID19 impact - Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The impact of COVID19 on the Company has been negligible, however, the duration and future impact of the COVID19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results

and condition of the Company, or on its ability to raise capital to fund operations, in future periods.

Significant Estimates

Valuation of investments – The fair value of the financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see note 9 of the interim condensed consolidated financial statements.

The directors have determined that they do not control any of the Company's investments, primarily as in all cases the Company's interest in the equity of these companies are less than 5% and the Company is not exposed, and has no right, to variable returns from these companies.

Intangible assets - Intangible assets are capitalized if they are expected to have future economic benefits and are expected to be economically recoverable. Purchased intangibles are valued on acquisition using established methodologies and amortized over their estimated useful economic lives, except in those cases where intangibles are determined to have indefinite lives, where there is no foreseeable limit over which these intangibles would generate net cash flows. The valuations and lives of intangible assets are based on management's best estimates of future performance and periods over which value from intangible assets will be derived. Intangible assets are assessed for impairment indicators at each reporting date or earlier if events and circumstances indicate. There were no impairment indicators for the Company's intangible asset at the December 31, 2021. The Company estimates the useful life of the IP addresses to be at least five years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than five years, depending on technical innovations and competitor actions. If the useful life were only three years, the carrying amount would be \$814,321 as at December 31, 2021. If the useful life were estimated to be fifteen years, the carrying amount would be \$913,729.

New Accounting Standards Adopted

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

In August 2020, the IASB issued amendments to IFRS 9, Financial Instruments (IFRS 9), IAS 39, Financial Instruments: Recognition and Measurement (IAS 39), IFRS 7, Financial Instruments: Disclosures (IFRS 7), IFRS 4, Insurance Contracts (IFRS 4) and IFRS 16, Leases (IFRS 16) as a result of Phase 2 of the IASB's Interest Rate Benchmark Reform project. The amendments address issues arising in connection with reform of benchmark interest rates including the replacement of one benchmark rate with an alternative one. The amendments were effective January 1, 2021. As at December 31, 2021, these amendments did not affect the Company's interim condensed consolidated financial statements.

Amendments to IAS 12 – Income Taxes

In May 2021, the IASB issued amendments to IAS 12, Income Taxes (IAS 12). The amendments will require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments will typically apply to transactions such as leases for the lessee and decommissioning and restoration obligations related to assets in operation. An entity is required to apply these amendments for annual reporting periods beginning on or after January 1, 2023. Early application is permitted. The amendments are applied to transactions that occur on or after the beginning of the earliest comparative period presented. The Company does not expect these amendments to have a material effect on its interim condensed consolidated financial statements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

The Company's related parties include its subsidiary, key management personnel and any entity related to key management personnel that has transactions with the Company. Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly.

During the three months ended December 31, 2021, Laramide Resources Ltd. ("Laramide"), a company having a former director and officer in common, charged \$nil (2020 \$3,600) for financial and administrative services, rent and other shared expenditures. In addition, Laramide paid \$nil (2020 \$5,942) of certain expenses on behalf of the Company which were subsequently reimbursed to Laramide. At December 31, 2021, there is \$6,436 (2020 \$2,276) of accounts payable to Laramide.

During the three months ended December 31, 2021, Treasury Metals Inc. ("Treasury Metals"), a company having a former director and officer in common with the Company, paid \$nil (2020 - \$nil) of certain expenses on behalf of the Company. At December 31, 2021, there is \$nil (2020 \$581) of accounts payable to Treasury Metals.

During the three months ended December 31, 2021, the Company paid \$18,000 (2020 \$18,000) for consulting services provided by a director and officer of the Company and \$1,001 for certain expenses paid for by behalf of the Company. On September 30, 2021, \$155,246 was due from the director for stock options exercised (2020 - \$nil), which was repaid subsequent to year end on October 1, 2021. At December 31, 2021 there is \$5,232.44 (2020 \$21,881) of accounts payable to this related party.

During the three months ended December 31, 2021, the Company paid \$nil (2020 \$10,500) for consulting services provided by a former officer of the Company. At December 31, 2021 there is \$nil (2020 \$3,500) payable to this related party.

During the three months ended December 31, 2021, the Company paid \$15,000 (2020 - \$nil) for consulting services provided by an officer of the Company and \$90 for certain expenses paid for by behalf of the Company. At December 31, 2021 there is \$nil (2020 - \$nil) of accounts payable to this related party.

During the three months ended December 31, 2021, the Company paid \$27,557 (2020 - \$nil) for consulting services provided by a former officer of the Company. At December 31, 2021 there is \$nil (2020 - \$nil) of accounts payable to this related party.

During the three months ended December 31, 2021, the Company paid \$18,000 (2020 \$18,000) for consulting services provided by a director and officer of the Company. At December 31, 2021 there is \$6,000 of accounts payable to this related party (2020 - \$nil).

During the three months ended December 31, 2021, the Company paid \$17,667 (2020 - \$nil) for consulting services provided by a director and officer of the Company. At December 31, 2021 there is \$17,667 of accounts payable to this related party (2020 - \$nil).

During the three months ended December 31, 2021, the Company paid \$45,000 (2020 - \$nil) for consulting services provided by a director and officer of the Company. At December 31, 2021 there is \$nil of accounts payable to this related party (2020 - \$nil).

During the three months ended December 31, 2021, \$10,127 (2020 - \$nil) was charged for legal services by a firm of which an officer of the Company is a partner. At December 31, 2021 there is \$4,633 of accounts payable to this related party (2020 \$145).

During the year ended September 30, 2021, the Company purchased an investment in Animoca. Prior to the acquisition, a director and officer of the Company owned 9,300,000 ordinary shares of Animoca representing 0.6% of the issued and outstanding shares of Animoca at December 31, 2021.

Key Management Compensation

Key management includes the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, and directors of the Company.

The compensation to current and former key management is shown below:

Period ended December 31	2021	2020
Consulting fees	\$ 152,443	\$ 46,500
Director fees	15,000	7,500
Stock-based compensation	556,091	-
	\$ 723,534	\$ 54,000

At December 31, 2021 included in accounts payable and accrued liabilities is \$20,000 (2020 - \$7,500) owed relating to director fees.

Other Risk Factors

Risks which the Company is not aware of or which the Company currently deems to be immaterial may surface and have a material adverse impact on the Company's business income and financial condition. Exposure to credit, interest rate, cryptocurrency and currency risks arises in the normal course of the Company's business.

Other Information

This discussion and analysis of the financial position and results of operation as at December 31, 2021, should be read in conjunction with the interim condensed consolidated financial statements for the three months ended December 31, 2021 and 2020. Additional information can be accessed through the Company's public filings at www.sedar.com.

Management's Responsibility for Financial Information

The Company's interim condensed consolidated financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The interim condensed consolidated financial statements were prepared by the Company's management in accordance with IFRS. The interim condensed consolidated financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the interim condensed consolidated financial statements are presented fairly in all material respects.

Management's Report on Internal Control over Financial Reporting

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate disclosure controls and procedures. Disclosure controls and procedures are designed to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer believe that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed under applicable securities regulations is recorded, processed, summarized, and reported within the times specified. Management regularly reviews the Company's disclosure controls and procedures; however, they cannot provide an absolute level of assurance because of the inherent limitations in cost effective control systems to prevent or detect all misstatements due to error or fraud.

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of interim condensed consolidated financial statements for external purposes in accordance with IFRS. The design of any

system of controls and procedures is based, in part, upon certain assumptions about the likelihood of future events. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

During the three months ended December 31, 2021, the Company's employees began working remotely from home due to Company COVID-19 protocols. This change has required certain processes and controls that were previously done or documented manually, to be completed and retained in electronic form. Despite the changes required by the current environment, there have been no significant changes in the Company's internal controls over financial reporting during period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

"Jeffrey Gao"

Chief Executive Officer

February 25, 2022

Forward-Looking Statements

Certain statements included or incorporated by reference in this MD&A, including information as to the future financial or operating performance of the Company, its subsidiaries, and its projects, constitute forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “schedule” and similar expressions identify forward-looking statements. This MD&A includes, but is not limited to, forward-looking statements regarding: the Company’s ability to meet its working capital needs for the twelve-months ending September 30, 2022 and statements regarding the Company’s critical accounting estimates. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political, and social uncertainties, and contingencies. Many factors could cause the Company’s actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Such factors include, among others, risks relating to additional funding requirements, political and foreign risk, uninsurable risks, competition, environmental regulation and liability, government regulation, currency fluctuations, recent losses and write-downs and dependence on key employees. See “Risk and Uncertainties” section of this MD&A. Due to risks and uncertainties, including the risks and uncertainties identified above, actual events may differ materially from current expectations. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Forward-looking statements are made as of the date of this MD&A and the Company disclaims any intent or obligation to update publicly such forward-looking statements, whether as a result of new information, future events, or results or otherwise.