MANAGEMENT DISCUSSION AND ANALYSIS

For the three month period ended December 31, 2022 and 2021
As at March 1, 2023

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 March 1, 2023. It should be read in conjunction with the interim condensed consolidated financial statements of the Company as at and for the three month period ended December 31, 2022 and 2021.

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 two lines of effort:

(1) Utilization of treasury for yield generation.

(2) Diversification and risk management

As at December 31, 2022, the Company had total assets of $22.6 million and net book value of $22.4 million. During the year ended September 30, 2022, the Company sold its cryptocurrency holdings, resulting in the cash and cash equivalents of $18.5 million at year end. The Company may purchase cryptocurrencies in the future depending upon market conditions.

SIGNIFICANT EVENTS IN THE THREE MONTH PERIOD ENDED DECEMBER 31, 2022

Overview

- Total assets decreased $1.2 million to $22.6 million (5%)
- Net book value decreased $1.2 million to $22.4 million (5%)
- FTX bankruptcy has minor impact on operations

Treasury Management and Diversified Yield Generation

Treasury Management – Treasury management remained dormant the as the Company assessed whether it should restart this initiative.

Cryptocurrencies – The Company is not active in cryptocurrencies at this time, generating small amounts of bitcoin income from its crypto mining assets which it immediately sells for cash upon distribution.

On November 11, 2022, FTX Trading Ltd. ("FTX") filed for Chapter 11 bankruptcy protection. Two of the Company's investments advised the Company that they had exposure to FTX; Lucy Labs' Rising Tide portfolio has "significant exposure" and Isla Capital had "19%" exposure. The impact on Isla and Lucy Labs is discussed below.

Private Equity and Venture Capital

Highlights

- $2.8 million decrease in investments since September 30, 2022.
- $707,649 write down of Lucy Labs investment to zero after FTX bankruptcy filing.
- Redemption of Isla Labs investment for $1,591,591, reducing the investment portfolio by $2,062,707 million and resulting in a loss of $471,116.
- Gain on sale of intangible assets of $536,633

The Company's investments in equity instruments are classified as FVTPL and are carried at fair value. The detail is as follows:

	Quantity	**December 31, 2022**	Quantity	September 30, 2022
Chia Network Inc. (a)	**19,860**	**369,490**	19,860	369,490
GOAT Gaming Pte Ltd. (b)	**-**	**-**	176,470	-
ISLA Digital Strategies SP (c)	**-**	**-**	-	2,062,707
Lucy Labs Flagship Offshore Fund SPC (d)	**-**	**-**	-	707,649
NGRAVE.IO (e)	**138,966**	**148,419**	138,966	148,419
Streetside Development, LLC (f)	**1,429**	**126,516**	1,429	126,516
zkSNACKS Limited - Shares (g)	**4,500**	**445,028**	4,500	445,028
		$ 1,089,452		$ 3,859,808

(a) 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, and the Company also exercised its participation rights and acquired 600 common shares of Chia at a price of US$21.21. Based on an independent valuation of Chia dated September 30, 2022, that estimated its fair market value per share to be $18.11 (US$13.21), the Company wrote its investment Chia down by $188,231 to a value of $369,490.

(b) During the year ended September 30, 2022 the Company acquired a 176,470 subscription shares of GOAT Gaming Pte Ltd. ("GOAT") for consideration of US$200,000 priced at US$1.13333 per subscription share ($252,695). Company management determined that the fair value of GOAT was $nil at September 30, 2022 and recognized a realized loss of $252,695 in the consolidated statements of comprehensive income.

(c) During the year ended September 30, 2022, the Company invested US$1,500,000 ($1,923,658) in three tranches acquiring 14,762.1833 Class B common shares of the AB Digital Strategies Fund (the "Isla Shares") managed by UK FCA-regulated Isla Capital. During the three months ended December 31, 2022 the Company redeemed its Isla shares for proceeds of $1.591,591 realizing a loss of $471,116 in the Interim Statements

(d) During the year ended September 30, 2022, the Company invested $636,075 (US$500,000) in Lucy Labs Flagship Offshore Fund Crypto Rising tide portfolio. On November 11, 2022, FTX Trading Ltd. ("FTX") filed for Chapter 11 bankruptcy protection. FTX was a counterparty of Lucy Labs. Based on correspondence with Lucy Labs, the Company wrote down its investments with Lucy Labs to zero during the three months ended December 31, 2022.

(e) During the year ended September 30, 2022, the Company's convertible loan to NGRAVE was converted into common shares of NGRAVE pursuant to its convertible loan agreement which resulted in the Company receiving 138,966 NGRAVE common shares at a deemed price of EUR 0.7936.

(f) During the year ended September 30, 2022, Company received 0.26 Bitcoin with a value of $16,336 (2021 - $nil)as a dividend from Streetside Development, LLC which has been recorded in the consolidated statements of comprehensive income.

(g) During the year ended September 30, 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. During the year ended September 30, 2022, the Company received 3.06 Bitcoin (2021 - 2.7 Bitcoin) with a value of $171,511 (2021 - $121,574) as a dividend from zkSNACKS Limited which has been recorded in the consolidated statements of comprehensive income.

Other Assets

Other assets declined $685,575 to $83,919 at December 31, 2022 (September 30, 2022 - $769,494), mainly due to the sale of the Company's IPv4 assets, on which it realized a gain of $536,633.

Cryptocurrency mining assets
Cryptocurrency mining assets of $83,919 (September 30, 2022 - $94,205) represent the acquisition cost of 25 Bitmain S19J Pro miners (the "Equipment") purchased by the Company during the year ended September 30, 2022 for cash consideration of $376,819, net of accumulated amortization and other adjustments. The Equipment is leased to MineOn LLC, which hosts and operates the machines in Iowa, USA for Cypherpunk pursuant to a managed mining and profit sharing agreement. During the year ended September 30, 2022 the Company determined that the value of the Equipment had declined and an impairment charge of $215,802 was recorded at year end. The Equipment is amortized on a straight line basis from the date of acquisition over its estimated economic useful life of 5 years. During the three months ended December 31, 2022 the Company recognized amortization expense of $7,909 (2021 - $nil) for total accumulated amortization of $74,261.

Intangible assets
Intangible assets of $nil (September 30, 2022 - $675,289) reflect the disposition of the Company's 24,576 IPv4 addresses (the "Intangible Assets"). The Intangible Assets were purchased by the Company during the year ended September 30, 2021 for cash consideration of $938,582. The intangible assets were being amortized on a straight line basis from the date of purchase over the estimated economic useful life of 5 years. During the year ended September 30, 2022 the Company recognized amortization expense of $188,737 (2021 - $74,556) for total accumulated amortization of $263,293 (2021 – $74,556). During the three month period ended December 31, 2022 the Company sold it Intangible Assets for gross proceeds of $1,172,863 and recognized a gain of $536,633 in its interim condensed consolidated financial statements for the three months ended December 31, 2022 and 2021 (the "Interim Statements").

Subsequent Events

On January 24, 2023 the Company announced that it was commencing a normal course issuer bid (the "NCIB"), under which it may purchase up to 8,003,535 common shares of the Company over a period of one year (the "NCIB Period"), representing approximately 5% of the Company's issued and outstanding common shares.

On February 15, 2023, the Company announced that it had acquired 9.09 million ordinary shares of Animoca Brands Corporation Limited for approximately AUD $10 million (CAD $9.42 million) through secondary market trades.

On February 28, 2023, the Company had purchased 2,960,000 of its common shares for cancellation pursuant to the NCIB.

OVERALL PERFORMANCE

Overview

- Cash position of $20.8 million (September 30, 2022 - $18.5 million)
- Cryptocurrency holdings of $nil (September 30, 2022 - $3,035 million)
- Total assets of $22.6M (September 30, 2022 - $23.8 million)
- Net book value of $22.4 million (September 30, 2021 - $27.8 million)
- Decreases due primarily to operating losses and unrealized loss on Lucy Labs. Due to dispositions of assets cash increased $2.3 million

SELECTED ANNUAL INFORMATION

Selected audited annual information for the three most recently completed years, all reported under IFRS, are as follows:

Year ended September 30,	2022	2021	2020
Total assets	$ 23,892,055	$ 31,230,861	$ 6,855,628
Shareholders' equity	23,583,763	27,841,541	6,669,514
Income	3,131,499	406,819	556,808
Net income	358,456	(1,174,497)	(159,417)
EPS	$ 0.00	$ (0.01)	$ (0.00)
Comprehensive income	(5,612,877)	7,419,378	377,009

Results of Operations

Comparison of the years ended September 30, 2022 and 2021

The total comprehensive loss for the year ended September 30, 2022 (the “Period”) decreased $13,032,255 to a loss of $5,612,877compared to total comprehensive income of $7,419,378 for the year ended September 30, 2021. The main reasons for the variance are as follows:

- During FY22 a realized gain on investments of $3,758,852 (2021 – investment loss of $3,910) mainly due to the sale of Animoca investment
- Operating expenses for the Period were $2,338,302 (2021 - $2,767,316), the decrease mainly due to:
    - Foreign exchange gain for the Period of $715,354 (2021 – loss of 344,691) due to the appreciation of the US dollar, the currency most of the Company’s assets are held in, versus the Canadian dollar
    - Employment termination costs for the Period of $nil for the period (2021 – $477,500)
    - Stock-based compensation for the Period of $1,345,099 (2021 – $644,195)
- For the Period other comprehensive loss was $5,971,333 (2021 – income of $8,593,875) mainly due to a decline in cryptocurrency prices during the Period compared to an appreciation of cryptocurrency prices during the prior year.

SELECTED QUARTERLY INFORMATION

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

	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
	$	$	$	$	$	$	$	$
Income (loss) before taxes	(1,348,958)	(427,633)	(592,442)	(1,873,965)	3,687,237	476,284	(1,460,542)	(348,227)
Tax Recovery	-	(434,741)	-	-	-	1,186,000	-	-
Income (loss) for period	(1,348,958)	(862,347)	(592,442)	(1,873,965)	3,687,237	1,662,284	(1,460,542)	(348,227)
Net income (loss) per share (basic and diluted)	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.02)	$ 0.02	$ 0.01	$ (0.01)	$ -
Total comprehensive income (loss)	6,928,210	2,664,292	(11,613,376)	(2,084,665)	5,420,873	4,167,306	(12,395,810)	10,053,898
Total assets	22,645,041	23,892,055	23,377,205	34,250,965	37,230,469	31,230,861	23,487,650	35,223,067
Net book value	22,376,611	23,583,763	21,186,912	32,168,113	33,828,505	27,841,541	23,115,447	34,985,129

Results of Operations

Comparison of the three months ended December 31, 2022 and 2021

The total comprehensive income for the three months ended December 31, 2022 (“Q1-23”) decreased $5,036,195 to loss of $1,348,958 compared to total comprehensive income of $3,687,237 for the three months ended December 31, 2021 (“Q4-21”). The main reasons for the variance are as follows:

- In Q1-23, there was an unrealized loss on investments of $707,649 due to Lucy Labs compared to an unrealized gain in Q1-22 of $4,715,936, a difference of $5,423,585, which was mainly due to the appreciation of the Company’s investment in Animoca.
- In Q1-23 the Company’s unrealized loss on investments was partially by a gain on the disposition of assets of $536,633 (2021 - $nil).
- In Q1-23 the Company had a realized loss on investments of $471,116 due to its redemption of its Isla investment (2021 - $113,120).
- In Q1-23 stock based compensation declined to $141,506 (2021 - $556,091), which was partially offset by increases in professional fees of $155,299 (2021 – $41,208) and foreign exchange of $190,931 (2021 – $28,120).

FINANCIAL AND CAPITAL MANAGEMENT

Outstanding Share Data

At December 31, 2022

Common shares outstanding:	160,070,718
Options to purchase common shares:	14,006,500
Warrants:	26,698,442

At March 31, 2023

Common shares outstanding:	157,110,718
Options to purchase common shares:	14,006,500
Warrants:	16,764,707

Cash Flow

For the three months ended December 31, 2022, the net cash inflow is $ 2,268,096 (2021 – $140,744) due to $2,767,489 (2021 – $353,184) of net cash received from investing activities offset by $499,393 (2021 – $200,017) of cash used in operating activities and $nil (2021 – $12,423) used in financing 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 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 11.

There were no changes in the Company's approach to capital management during the three months ended December 31, 2022.

Safeguarding of Cryptocurrency Assets

The Company retains two third-party custodians (the “Custodians”) to safeguard its cryptocurrency assets; Coinbase Custody Trust Company, LLC (“Coinbase”) to hold the Company’s Bitcoin and Ethereum cryptocurrency assets and Paradiso Ventures Inc. o/a Balance (“Balance”) to hold its Monero (XMR) cryptocurrency assets. The Custodians are only responsible for holding and safeguarding the Company’s cryptocurrency assets and have 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 held 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.

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, 2022, the Company holds $20,805,317 in cash and cash equivalents at high credit quality financial institutions (September 30, 2022 - $18,537,221). 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 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, that 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 posses 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 September 30, 2022, 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 $108,945 (September 30, 2022 -

$385,981).

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, 2022 is $20,324,597 (September 30, 2022 - $18,045,237). Sensitivity to a plus or minus 10% change in the foreign exchange rates would result in a foreign exchange gain/loss of $2,032,460 (September 30, 2022 - $1,804,524).

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, 2022, the Company had cash and cash equivalents balance of $20,805,317 (September 30, 2022 - $18,537,221) to settle accounts payable and accrued liabilities of $268,430 (September 30, 2022 - $308,293). All of the Company's trade accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

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, 2022	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through FVTPL			
Listed equity investments	$ -	$ -	$ -
Equity investment	-	-	-
Treasury measurment investments	-	-	-
Investments	-	-	1,089,453
Non financial assets at fair value through other comprehensive income			
Convertible loan receivable	-	-	-
Cryptocurrencies	-	-	-
Cryptocurrencies pledged as collateral	-	-	-
	$ -	**$ -**	**$ 1,089,453**

Recurring fair value measurements - September 30, 2022	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through FVTPL			
Listed equity investments	$ -	$ -	$ -
Equity investment	-	60,037	-
Investments	-	-	3,859,808
Non financial assets at fair value through other comprehensive income			
Convertible loan receivable	-	-	-
Cryptocurrencies	-	3,035	-
Cryptocurrencies posted as collateral	-	-	-
	$ -	**$ 63,072**	**$ 3,859,808**

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 maximize 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.

The Company exercised significant due diligence and judgement and determined that this presence and availability of this market was the most advantageous market and utilized 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 utilized 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 mattes 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, 2022 and the year ended September 30, 2022.

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

The following table summarizes 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 Inputs**	**Range of inputs**
	December 31, 2022	September 30, 2022	December 31, 2022	December 31, 2022
Investments	$ 1,089,453	$ 3,859,808	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”) 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 independent valuators utilized a variety of approaches and assumptions, including but not limited to:

- Income, comparable market multiples, precedent transactions, and cost approach
- Forecast revenue, expenses, and profitability
- Income tax
- Capex
- Discount rates
- Residual value
- Volatility of underlying asset
- Risk free rate of interest
- Value of strategic coin reserves, if any
- Weighting of various valuation approaches
- Timing of liquidity date, if any

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 $217,891 decrease in fair value.

Accounting Policies

This MD&A should be read in conjunction with the Company's Interim Statements. For additional information on the Company's significant accounting policies, methods and critical accounting estimates and judgments used in preparation of the Company's 2022 consolidated financial statements and notes, please refer to Note 2 of the audited consolidated financial statements as at September 30, 2022.

The Interim Statements 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.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

See note 14 of the Interim Statements.

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, 2022, should be read in conjunction with the consolidated financial statements for the year ended September 30, 2022 and 2021. Additional information can be accessed through the Company's public filings at www.sedar.com.

Management's Responsibility for Financial Information

The Company's consolidated financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The consolidated financial statements were prepared by the Company's management in accordance with IFRS. The 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 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 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.

"Antanas Guoga"
Chief Executive Officer
March 1, 2023

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, 2023 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.