MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

This Management Discussion and Analysis ("MD&A") of BIGG Digital Assets Inc. (the "Company" or "BIGG") provides analysis of the Company's financial results for three and nine months ended September 30, 2023 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and the notes thereto for the three and nine months period ended September 30, 2023 and the audited consolidated financial statements and notes thereto for the year ended December 31, 2022, which are available on SEDAR+ at www.sedarplus.ca.

The September 30, 2023 financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements. The Company's significant accounting policies are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2022, unless as otherwise provided for in the financial statements for the nine months ended September 30, 2023. All amounts are expressed in Canadian dollars, unless otherwise stated.

This MD&A is current as at November 28, 2023, the date of preparation, and includes certain statements that may be deemed "forward-looking statements". We direct investors to the sections "Forward-Looking Statements" and "Risk and Uncertainties" included within this MD&A.

Additional information relating to BIGG is available on the SEDAR+ website at www.sedarplus.ca and on the Company's website at www.biggdigitalassets.com.

FORWARD-LOOKING INFORMATION

This MD&A contains certain statements that may constitute "forward-looking information" (also referred to as "forward-looking statements") within the meaning of Canadian securities legislation. Forward-looking statements are provided for the purpose of furnishing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this MD&A, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: future anticipated business developments and the timing thereof, business and financing plans, and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information as well as other risks and uncertainties referenced under "Risks and Uncertainties" in this MD&A.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those referenced in the "Risks and Uncertainties" section of this MD&A, and, as a result they may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statements made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online at www.sedarplus.ca.

NATURE OF BUSINESS

BIGG Digital Assets Inc. is dedicated to the digital assets and blockchain technology industry. It has three operating business segments: blockchain technology development, digital currency sales brokerage, via the Netcoins App and immersive metaverse experiences. BIGG manages the business segments and activities associated with being a public company.

The Company's global blockchain search and analytics operations focus specifically on crypto investigations and managing financial risk. With the exponential growth of digital currency, the global marketplace must navigate increased risks and regulatory compliance. Blockchain Intelligence Group's ("BIG") mission is to bring digital currency mainstream - by providing trust and real-time risk evaluation through its language agnostic proprietary platforms. The Company offers business, government and law enforcement clients a suite of forensic solutions, advanced analytics and risk-scoring capabilities to meet security needs and the growth of the digital currency marketplace.

Netcoins Inc. ("Netcoins") is in the business of developing brokerage and exchange software to make the purchase and sale of crypto assets easy for the mass consumer and investor with a focus on compliance, transparency and safety. Netcoins enables crypto transactions via a self-serve crypto trading platform (CTP) through the Web and its Mobile Apps. Netcoins is registered with the British Columbia Securities Commission ("BCSC") and the Canadian Securities Administrators ("CSA") as a "restricted dealer" in Canada. In late 2022, Netcoins launched its services in the United States of America, initially in California, Michigan, Pennsylvania, Virginia and Missouri. Since then, its USA operations have expanded further, launching in 16 total states.

TerraZero is a vertically integrated Metaverse development group and leading Web3 technology company specializing in helping brands create immersive experiences. TerraZero's Metaverse-agnostic vision is to develop and implement products and services with scalable commercial applications to flourish engagement across gamified experiences where enterprise-level businesses, metaverse platforms, and Web3 creators can seamlessly bridge and actionably grow their virtual world and the physical world endeavors together as one.

At September 30, 2023, the Company reports net loss of $10,078,962, negative cash flows from operations of $8,250,530 and an accumulated deficit of $98,275,977. The Company continues to rely on financing through equity raises or debt instruments to support its operations and expects to do so until the business operates with sufficient cash flows from operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Management cannot provide assurance that the Company will achieve profitable operations or become cash flow positive, or raise additional funds via equity issuances or debt instruments. Its ability to continue as a going concern depends upon whether it develops profitable operations and continues to raise adequate financing. These factors indicate a material uncertainty and may cast a significant doubt on the Company's ability to continue as a going concern. The consolidated financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities and the reported expenses that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

BUSINESS OVERVIEW

BIGG Digital Assets Inc. believes the future of crypto is a safe, compliant, and regulated environment. BIGG invests in products and companies to support this vision.

Blockchain Intelligence Group has developed a blockchain-agnostic search and analytics engine, QLUE™, enabling Law Enforcement, RegTech, Regulators and Government Agencies to visually track, trace and monitor digital currencies transactions at a forensic level. QLUE™ enables Law Enforcement, RegTech, regulators and government agencies to literally "follow the virtual money". Investigators are able to quickly and visually trace, track and monitor transactions in their fight against terrorist financing, human trafficking, drug trafficking, weapons trafficking, child pornography, corruption, bribery, money laundering, and other cybercrimes. Initially built around Bitcoin, BIG currently supports 14 chains, with more to come.

BIG's product BitRank Verified® offers a "risk score" for digital currencies, enabling RegTech, banks, ATMs, exchanges, and retailers to meet traditional regulatory/compliance requirements. Both utilize the blockchain, which is fundamentally a digital ledger of transactions with unique characteristics designed to create records that are secure, reliable, transparent, and accessible. In 2018 BIG launched its Certified Cryptocurrency Investigator (CCI) designation program (https://www.cryptoinvestigatortraining.com/) – the first of its kind. Students are taught how to track, trace and investigate cryptocurrency transactions and/or crimes.

Netcoins, acquired in August 2019, expanded the Company's footprint in the digital assets industry. Netcoins develops brokerage and exchange software to make the purchase and sale of digital currency easily accessible to the mass consumer and investor with a focus on compliance and safety. On September 30, 2021, Netcoins became one of the first regulated crypto trading platforms in Canada with its registration as a "restricted dealer". During 2022, Netcoins began to significantly expand the coins available for trading on its CTP, which now exceeds 40+ different cryptocurrencies. As well, late 2022 marked Netcoins' initial expansion into the United States of America.

In February 2022, the Company increased its ownership in TerraZero Technologies Inc. ("TerraZero") to approximately 33% on a fully diluted basis, acquiring significant influence. On August 25, 2023, the Company announced that it has entered into a definitive amalgamation agreement to acquire all of the outstanding shares of TerraZero not already owned by the Company (see Subsequent Event below). At closing TerraZero will become a wholly-owned subsidiary of the Company. The acquisition is closed on September 28, 2023.

TerraZero, a private Canadian company formed under the laws of British Columbia in early 2021, is a leader in the Web3/Metaverse sector with a roster of clients that include Miller Lite, PwC, Atlantic Records, Warner Records and prominent brands across the industries of finance, beauty, consumer packaged goods, food and beverage, and others. In six months of 2023, TerraZero generated an aggregate of approximately $1.5M in revenue (unaudited) and 161% growth year over year for the same period, while launching activations for clients including PwC, Fidelity International, Warner Music, leading fashion brands, and others.

TerraZero expanded its business plans to focus on the development of its own highly scalable Intraverse technology ecosystem, which is expected to launch in 2024. The Intraverse technology platform enables businesses and brands to more effectively engage and interact with their customers, creating an entirely new form of e-commerce and e-commerce opportunities.

Synergies with BIGG's current businesses include the incorporation of BIG's KYC, AML and data analytics, and Netcoins' fiat to crypto exchange as integral blockchain and crypto-facing components of Intraverse technology platform.

The metaverse is an augmented reality platform that allows users to build interactive experiences, combining virtual and real worlds for a virtual 3D world that is immersive, interactive and collaborative. Web3, the third generation of the World Wide Web (WWW), is the vision for a new decentralized internet incorporating blockchain technologies and token-based economics.

RESULTS OF OPERATIONS

The Company continues to build out its core businesses, with a focus on customer attainment and higher on-boarding numbers.

The business segments continue to make progress, with a focus on excelling at delivering quality products and services. The Company seeks to meet the needs of customers today, as well as anticipating their future needs in the ever-changing landscape of the digital assets industry.

Q3 2023 Highlights

BIGG operations:

On September 28, 2023, the Company completed the acquisition of TerraZero Technologies Inc. and its subsidiaries by purchasing all of the issued and outstanding shares of TerraZero not already owned by the Company (the "TerraZero Acquisition"). Pursuant to a definitive amalgamation agreement, the Company issued 62,305,177 common shares to TerraZero shareholders, based on an exchange ratio of 1.6886 BIGG share for each TerraZero share held (the "Exchange Ratio"). The BIGG shares were valued at the market price per common share at closing of the Acquisition.

The Acquisition has been accounted for as a business combination. The assets acquired and the liabilities assumed are to be recorded at their estimated fair value at the acquisition date, in accordance with IFRS 3, *Business Combinations.* IFRS 3 allows for a measurement period, which shall not exceed one year from the acquisition date, in which the Company may gather the information necessary to record the acquisition in accordance with IFRS 3. Given the recent date of the acquisition on September 28, 2023, the Company is still in the measurement phase. As management completes its assessment of the fair value of net assets acquired and liabilities assumed, there could be material adjustments to the assets and liabilities.

The preliminary allocation of purchase consideration is as follows:

	September 28, 2023
Fair value of assets and liabilities acquired:	
Cash and cash equivalents	$ 4,303,109
Accounts and other receivables	258,401
Contract asset	45,780
Prepaids	312,018
Equipment	3,184
Intangible assets	604,193
Accounts payable and accrued liabilities	(231,784)
Income tax payable	(9,193)
Contract liability	(12)
Identifiable net assets acquired	$ 5,285,696
Consideration	$ 22,011,281
Goodwill	$ 16,725,585
The consideration consists of the following components:	
Fair value of previously held interest (i)	6,717,393
Share consideration	14,018,665
Stock options consideration	1,013,225
Warrants consideration	261,998
	$ 22,011,281

(i) Remeasurement at fair value of the Company’s previously held interests in TerraZero resulted in the recognition of a $654,391 loss in earnings, which is presented under the statement of comprehensive loss.

As part of the transaction, the Company replaced the existing stock options and warrants of TerraZero, after giving effect to the Exchange Ratio, with those of the Company. The fair value of the TerraZero options and warrants already vested as of the date of acquisition has been incorporated into the purchase price consideration.

The following assumptions were used in the calculation of the fair value of options per the Black-Scholes option pricing model:

Share price at measurement date	$0.38
Risk-free interest rate	4.30%
Exercise Price	$0.15 to $0.70
Expected life of options	3.69 years
Expected volatility	100%
Dividend yield	Nil

The following assumptions were used in the calculation of the fair value of 965,952 warrants per the Black-Scholes option pricing model:

Share price at measurement date	$0.38
Risk-free interest rate	4.68%
Exercise Price	$0.70
Expected life of warrants	9.74 years
Expected volatility	100%
Dividend yield	Nil

The resulting goodwill is attributable to certain intangible assets, including synergies from combining operations, expected growth, value of its assembled workforce and the highly specialized nature of the acquired business, which do not qualify for separate recognition, and the fact that additional value is generated through the collective use of the acquired assets rather than individually. Goodwill is included in the business segment and is not expected to be deductible for tax purposes.

The Company applied a cost approach, specifically a historical cost approach, for measuring the fair value of the intangible assets. This valuation method used the historical costs, less impairment, of the digital land held by TerraZero,

Acquisition-related costs of $135,917, recorded to professional fees, are not included as part of consideration transferred and have been recognized as an expense in the condensed consolidated interim statements of loss.

TerraZero has contributed $Nil in revenue and incurred a loss of $41,251 to total comprehensive loss since the acquisition date.

The addition of TerraZero as a wholly-owned subsidiary of BIGG provides our shareholders further diversity and reach into the metaverse business. The TerraZero Acquisition strengthen our balance sheet, add new revenue streams, provides blue sky opportunity via its Intraverse product for mindshare and marketshare in the metaverse.

Netcoins operations:

- Netcoins revenues were $1,052,235 (Q3 2022 - $1,003,398), up by 5% YoY. Despite the modest revenue increase, the margin rate was up at 1.77%, as compared to 1.38% in 2022. Q3 2023 revenues remained fairly consistent with those of Q2 2023 of $1,022,918 and Q1 2023 of $1,115,321. 2023 YTD revenues totalled $3,190,474 (2022 YTD - $4,723,800), with a margin of 1.80%, down by roughly 32% YoY.
- Continued its expansion of US operations with the launch of its platform in New Jersey, Indiana, Oklahoma, Colorado, Kentucky, Kansas, Nebraska, Delaware, Wyoming, Utah, South Carolina and Massachusetts. In 2022, Netcoins was active in five states: California, Pennsylvania, Michigan, Missouri and Virginia. The combined population of its 17 states is over 128 million, which provides Netcoins with a tremendous opportunity for growth. Its US operation is Mobile only, available on iOS and Android. Netcoins is operating as a compliance-first crypto platform that is focused on regulatory adherence and customer safety while offering No Fee Trading.
- Active Users totalled approximately 7,905 (Q3 2022 – 8,902). This marks a 4% increase over the prior quarter and an 11% decrease from the same period of the prior year. Active Users totalled 23,921 in 2023 YTD (2022 YTD – 39,462), down 39% year-over-year (YoY).

BIG operations:

- BIG revenues decreased by 26% to $386,312 (Q3 2022 - $519,252), at a margin rate of 75% (2022 - 86%). Overall, 2023 YTD revenues were $1,122,566 (2022 YTD - $1,555,729), down by 28% YoY.
- Added new customers, in the areas of finance, investigation and law enforcement.
- Continued to add support for new blockchains, which include Cardano, Stacks, Doge, Monero, Zcash, Tron (TRX) and more. By expanding its ecosystem of supported blockchains, BIG is able to better serve its investigators in their efforts to follow transactions wherever they may lead.

- BIG was the first blockchain analytics company to fully support NFTs – enabling investigators to fully search trading and ownership history of NFTs on Ethereum.
- BIG has risk-scored more than 13.7B addresses and transactions covering tokens, digital assets and NFTs. Along with its NFT Explorer, the QLUE™ suite of investigative resources, BIG covers 16 of the most widely used cryptocurrency blockchains used by money launderers and cyber criminals, including Bitcoin, Dash, Zcash and TRON, and over 700,000 tokens and NFTs on the Ethereum blockchain.

Summary of Quarterly Information

Selected financial information for each of the eight most recently completed quarters are as follows:

	Revenue ($)	Operating expenses ($)	Share-based payments ($)	Net income (loss) ($)	Other comprehensive income (loss) ($)	Basic and diluted income (loss) per share ($)
Q3 2023	1,438,547	4,905,376	309,010	(5,132,873)	(10,273)	(0.02)
Q2 2023	1,349,176	4,618,551	159,568	(4,195,163)	289,635	(0.02)
Q1 2023	1,525,317	6,313,426	1,682,253	(750,925)	1,077,608	(0.00)
Q4 2022	1,193,291	5,852,688	303,184	(15,411,857)	4,326,301	(0.06)
Q3 2022	1,522,650	4,696,816	288,733	(1,968,113)	350,751	(0.01)
Q2 2022	2,246,653	7,964,210	391,657	(21,239,122)	(9,025,927)	(0.09)
Q1 2022	2,510,226	7,052,994	782,873	(5,534,090)	(284,015)	(0.02)
Q4 2021	3,270,312	6,490,654	186,667	(4,038,764)	(209,519)	(0.02)

Three Months Ended September 30, 2023

The Company recorded total revenues of $1,438,547 (2022 - $1,522,650), marking a decrease of $84,103 or 6% from the same period of the prior year.

Revenues from Netcoins' digital currency sales during the period were $1,052,235 (2022 - $1,003,398), marking an increase of 5% from the same period of the prior year. The fee rate was up at 1.77% (2022 - 1.38%).

BIG revenues were comprised of $325,972 (2022 - $406,037) in product sales and $60,340 (2022 - $113,215) for services rendered. Overall, revenues decreased by 26% over the same period of the prior year. Cost of sales was $98,482 (2022 - $70,595). Gross margin was 75% (2022 - 86%).

TerraZero reported $Nil revenue for September 28 to 30, 2023, and recorded cost of sales of $448 on deferred contract revenue.

The Company reported a net loss of $5,132,873 for the three-month period ended September 30, 2023, as compared to a net loss of $1,968,113 for the same period of the prior fiscal year. During the prior year, $3,121,824 related to unrealized gain on digital currency inventory.

General and administrative expenses for the three months ended September 30, 2023 totalled $4,905,376 (2022 - $4,696,816). A recovery of bad debt expense of $1,874 was recorded during the period (2022 – expense of $25,934). Share-based compensation expense of $309,010 (2022 - $288,733) related to the grant of stock options that vested during the quarter and/or amounts accrued for services provided. Included in this amount was $202,974 and $38,060 pertaining to TerraZero replacement stock options and warrants, respectively. During the period, the Company applied a forfeiture rate of 12%, which is based upon the Company's analysis of the number and value of granted stock options that did not vest from 2018 to 2022 due to employment service requirements not being met.

Wages and benefits for the three-month period ended September 30, 2023 totalled $2,028,190 (2022 - $1,968,597), marking an increase of $59,593 or 3% over the 2022 comparative quarter and in-line with those of the most recent three quarters.

Corporate activity levels increased over those of the prior year with office expenses rising by $76,153 to $779,763 (2022 - $703,610), which included: bank charges of $182,107 (2022 - $127,547); office expenses of $102,336 (2022 - $118,893); office rent of $9,539 (2022 - $7,826); telecommunications of $2,135 (2022 - $3,632); insurance of $86,888 (2022 - $72,077), and computer and internet expenses of $396,758 (2022 - $373,635). These costs were in-line with those of the prior quarter ended June 30 2023, of $802,643. Amortization of equipment was $60,334 (2022 - $37,141), with $17,028 (2022 -$41,527) recorded against intangible assets.

Expenditure on advertising and promotion totalled $164,008 (2022 - $461,907), down roughly 64% from the same period of the prior year as a cost-reduction measure. Costs paid included meals and entertainment of $2,251 (2022 - $1,996) and other promotional expenses of $161,757 (2022 - $459,911). In the prior quarter, the Company spent $613,723 on advertising and promotion. Promotional expenses were comprised mainly of Netcoins' television and radio advertisements, and search engine optimization (SEO) and digital advertising.

Business operations expense comprises costs of $507,154 (2022 - $113,039) and related to Netcoins operations and includes losses due to fraud.

During the period, the Company's participation at trade shows and other activities incurred travel-related costs of $1,113 (2022 - $47,427). A recovery of shareholder communications costs of $5,445 (2022 – $4,589) was recorded during the period.

During the quarter, the Company recorded professional fees in the amount of $556,793 (2022 - $312,428) in relation to audit accruals and fees, and legal fees. Consulting fees were $21,623 (2022 - $393,820).

During the three months ended September 30, 2023, the Company recorded research and development costs in the amount of $264,071 (2022 - $246,292), in line with those of the prior two quarters. In the comparative period of the prior year, the expenditures were offset by government grants of $30,000. These costs pertain to the ongoing development of BIG's products.

During the quarter, the Company recorded regulatory and listing fees of $28,834 (2022 - $23,846). In addition, the Company paid director's fees of $27,967 (2022 - $27,926) to its non-management directors.

Interest income for the quarter ended September 30, 2023 was $36,915 (2022 - $58,594). The Company recorded a foreign exchange loss of $154,320 (2022 - gain of $45,130).

The Company recorded a revaluation loss of $6,006 (2022 - $1,105,841) on its equity investments measured at fair value through profit and loss ("FVTPL").

In the period, the Company recorded a loss of $223,072 (2022 – gain of $2,426) realized on the disposal of digital currencies, a realized gain of $544,393 (2022 - Nil) on disposal of equity investment and an unrealized gain of $60,900 (2022 - $Nil) recorded to the digital assets investments.

Netcoins reduced its inventory holdings and realized a gain of $99,867 (2022 - loss of $213,055). An unrealized loss of $783,606 (2022 - gain of $3,121,824) was recorded on digital currency inventory during the quarter.

The TerraZero Acquisition was completed in stages, as a step-acquisition. Any change in equity interests which crosses an accounting boundary causing a change in the method of accounting is regarded as a significant economic event. Such a transaction is therefore accounted for as if the original asset was disposed of for fair value, and immediately reacquired for the same fair value. The Company's previously held TerraZero interests were remeasured at the acquisition date fair value and resulting gains and losses were recognized in profit or loss (FVTPL).

As a result, the Company recorded a gain of $544,393 on its equity holdings of TerraZero preferred shares, a loss of $523,435 on its derivative financial asset and an equity loss on its investment in TerraZero of $721,057, offset by $63,554 previously recorded as a comprehensive income asset.

The Company replaced the existing stock options and warrants of TerraZero, recording $1,516,257 to equity reserves.

Nine Months Ended September 30, 2023

The Company recorded total revenues of $4,313,040 (2022 - $6,279,529), marking a decrease of $1,966,489 or 31% from the same period of the prior year.

Revenues from Netcoins' digital currency sales during the period were $3,190,474 (2022 - $4,723,800), marking a decline of 32% from the same period of the prior year. The decrease was largely driven by the reduction in trading volumes within the overall crypto market, slumping crypto prices and an overall malaise in the traditional markets. Despite the lower trading volumes, gross margin was up, at 1.80% (2022 - 1.37%).

BTGI revenues were comprised of $913,144 (2022 - $1,113,160) in product sales and $209,422 (2022 - $442,569) for services rendered. Overall, revenue decreased by 28% over the same period of the prior year. Cost of sales was $215,154 (2022 - $266,101). Gross margin was 81% (2022 - 83%).

TerraZero reported $Nil revenue for September 28 to 30, 2023, and recorded cost of sales of $448 on deferred contract revenue.

The Company reported a net loss of $10,078,962 for the period ended September 30, 2023, as compared to $28,741,325 for same period of the prior fiscal year. During the prior year, $10,101,556 related to unrealized losses on digital currency inventory – which arose due to the continued price depreciation of cryptocurrencies held – and $2,906,498 related to realized losses on sales of digital currency inventory.

General and administrative expenses for the nine months ended September 30, 2023 totaled $15,837,353 (2022 - $19,714,020). Share-based compensation expense of $2,150,831 (2022 - $1,463,263) related to the grant of stock options that vested during the quarter and/or amounts accrued for services provided. Included in this amount was $202,974 and $38,060 pertaining to TerraZero replacement stock options and warrants, respectively. During the period, the Company applied a forfeiture rate, which is based upon the Company's analysis of the number and value of granted stock options that did not vest from 2018 to 2021 due to employment service requirements not being met.

Wages and benefits for the period ended September 30, 2023 totaled $6,393,833 (2022 - $5,555,937), marking an increase of $837,896 over the 2022 comparative period. This increase reflects the additional staff, particularly within the Netcoins operations, to meet the growth of the business and customer needs.

Corporate activity levels increased over those of the prior year with office expenses rising by $321,231 to $2,429,424 (2022 - $2,108,193), which included: bank charges of $505,437 (2022 - $506,241); office expenses of $285,166 (2022 - $342,650); office rent of $23,696 (2022 - $20,199); telecommunications of $7,038 (2022 - $8,751); insurance of $337,079 (2022 - $143,393), and computer and internet expenses of $1,271,006 (2022 - $1,086,959). Amortization of equipment was $179,040 (2022 - $106,660), with $37,693 (2022 -$222,284) recorded against intangible assets. During the prior year, the Company wrote-off equipment of $1,381.

Expenditure on advertising and promotion totaled $1,403,176 (2022 - $5,353,150), a decrease of $3,949,974 or 74%. Costs paid included meals and entertainment of $10,827 (2022 - $8,744) and other promotional expenses of $1,392,349 (2022 - $5,344,406). Promotional expenses were comprised mainly of Netcoins' television and radio advertisements, and search engine optimization (SEO) and digital advertising.

Business operations expense comprises costs of $553,440 (2022 - $1,812,441) related to Netcoins operations and includes losses due to fraud.

During the period, the Company's participation at trade shows and other activities incurred travel-related costs of $13,726 (2022 - $55,352). Shareholder communications costs decreased from those of the prior year, totaling $11,929 (2022 - $12,152).

During the period, the Company recorded professional fees in the amount of $1,394,682 (2022 - $1,423,090) in relation to audit accruals and fees, and legal fees. Consulting fees were $163,807 (2022 - $764,412).

During the period ended September 30, 2023, the Company recorded research and development costs in the amount of $800,020, which were offset by government grants of $28,000, for a net expense of $772,020. During the prior year, the Company recorded research and development costs in the amount of $696,440, which were offset by government grants of $30,000. These costs pertain to the on-going development of BTGI's products.

During the period, the Company recorded regulatory and listing fees of $72,303 (2022 - $60,933). In addition, the Company paid director's fees of $83,901 (2022 - $83,779) to its non-management directors.

Interest income for the period ended September 30, 2023 was $124,520 (2022 - $118,586). The Company recorded a foreign exchange loss of $357,117 (2022 - gain of $59,629).

The Company recorded a revaluation loss of $3,718 (2022 - $403,372) on its equity investments measured at fair value through profit and loss ("FVTPL"), and a terminal gain of $645 on sale of equipment.

In the period, the Company recorded a gain of $244,890 (2022 - $2,281) realized on the disposal of digital currencies, an unrealized loss of $81,988 (2022 - $Nil), as well as an unrealized loss of $1,435,226 (2022 - gain of $9,150,441) recorded to other comprehensive income and recorded to the consolidated statement of comprehensive loss.

During the period, Netcoins sold a number of coins from its inventory float and realized a gain of $102,879 (2022 - loss of $2,906,498). The Company recorded an unrealized gain of $2,862,251 (2022 – loss of$10,101,566) on its digital currency inventory.

The TerraZero Acquisition was completed in stages, as a step-acquisition. Any change in equity interests which crosses an accounting boundary causing a change in the method of accounting is regarded as a significant economic event. Such a transaction is therefore accounted for as if the original asset was disposed of for fair value, and immediately reacquired for the same fair value. The Company's previously held TerraZero interests were remeasured at the acquisition date fair value and resulting gains and losses were recognized in profit or loss (FVTPL).

As a result, the Company recorded a gain of $544,393 on its equity holdings of TerraZero preferred shares, a loss of $523,435 on its derivative financial asset and an equity loss on its investment in TerraZero of $721,057, offset by $63,554 previously recorded as a comprehensive income asset.

The Company replaced the existing stock options and warrants of TerraZero, recording $1,516,257 to equity reserves.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2023, the Company had working capital of $11,318,324 (December 31, 2022 - $9,608,306). Included in working capital is $7,100,500 related to Netcoins float which is used for operational purposes, resulting in free working cash of approximately $4,217,800.

Cash as at September 30, 2023 was $5,407,112, as compared with $5,678,236 at December 31, 2022. Restricted cash of $6,140,083 (December 31, 2022 - $5,741,137) comprised primarily of Netcoins' customer funds held in trust and $82,500 (2022 - $82,500) was held in a Guaranteed Investment Certificate in favour of the Toronto-Dominion Bank, as security for corporate credit cards.

The Company relies upon various sources of funds for its ongoing operating and investing activities. These sources include proceeds from dispositions of investments, interest income from investments, and capital raising activities such as private placement or public equity financings. As at September 30, 2023, and as at the date of this MD&A, the Company has no debt or borrowings.

During the period ended September 30, 2023, the Company experienced cash outflows of $8,250,530 (2022 - $54,611,650) from operating activities. Investing activities provided cash outflows of $7,805,765 (2022 - $26,136,135), of which $57,105 was used for the purchase of equipment and $160,570 was used to purchase digital currencies. In addition, $3,720,331 was realized from the sale of digital currencies. Cash and cash equivalents received on the acquisition of TerraZero totaled $4,303,109. Financing activities realized inflows of $202,000 (2022 - $871,531) for the issuance of an aggregate 1,925,000 common shares issued on the exercise of stock options. Share issue costs totaled $5,090 (2022 - $8,024). During the period, the Company recorded the reduction of the lease liability of $23,127 (2022 - $22,765).

Overall, cash decreased by $270,982, as compared to $27,638,773 during the same period of the prior year.

As at September 30, 2023, the Company held $1,328,736 (December 31, 2022 - $3,126,394) in digital currency investments that could be converted to cash should the Company need additional liquidity.

The Company has incurred losses and has had negative cash flows from operations since inception that have primarily been funded through financing activities. The Company continues to rely on financing through equity raises or debt instruments to support its operations and expects to do so until the business operates with sufficient cash flows from operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Management cannot provide assurance that the Company will achieve profitable operations or become cash flow positive, or raise additional funds via equity issuances or debt instruments. Its ability to continue as a going concern depends upon whether it develops profitable operations and continues to raise adequate financing. These factors indicate a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. The consolidated financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities and the reported expenses that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

During the periods ended September 30, 2023 and 2022, the Company entered into the following transactions with related parties:

	For the Nine Months Ended September 30,	
	2023	**2022**
Director's fees	$ 83,901	$ 83,779
Wages and benefits	1,278,424	724,588
Share-based compensation	1,571,179	629,878
Total	$ 2,933,504	$ 1,438,246

At September 30, 2023, the Company recorded amounts owing to related parties of $77,895 (2022 - $39,647) in accounts payable. The amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

The transactions listed above were incurred in the normal course of operations.

CAPITAL MANAGEMENT

The Company includes all components of equity in the definition of capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its blockchain technology and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash and investments on hand. The Company is not currently subject to any externally imposed capital requirements.

The Company has been dependent upon external financings to fund activities. Until such time as it begins to generate revenue, in order to carry out planned expenditures and pay for administrative costs the Company will spend its existing working capital and may seek to raise additional funds as needed.

In order to maximize ongoing development, the Company does not pay out dividends. The Company's investment policy is to keep its cash on deposit in an interest bearing Canadian chartered bank account. Some cash is kept on deposit in fiat currency held by liquidity providers in order to facilitate the Company's business. There have been no significant changes to the Company's approach to capital management during the period ended September 30, 2023 or September 30, 2022.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

FINANCIAL INSTRUMENTS AND RISKS

As at September 30, 2023, the Company's financial and digital assets include cash and restricted cash, accounts and other receivables, digital currency inventory, digital currencies, investments, investment in associate, derivative financial asset and other assets. The Company's liabilities include accounts payable and accrued liabilities, customer liabilities and lease liabilities.

The Company's financial instruments and digital assets expose it primarily to credit, liquidity, market risk, and digital currency risks. A description of these risks is set out below, and refer to the audited consolidated financial statements for the year ended December 31, 2022 for information on how they are managed and for a description of how fair values are determined.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of credit risk arising from operations. The Company has cash balances but no interest-bearing debt. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash, restricted cash and accounts receivable. Credit risk associated with digital currencies proceeds collected by vendors on behalf of the Company is limited as transactions are usually settled within 1 to 15 days. The Company's credit risk has not changed significantly from the prior year.

The Company also utilizes third-party liquidity providers in the execution of customer trades. Trade execution and settlement is typically completed within milliseconds of the customer's execution of a trade order; however, there is credit risk that a liquidity provider will not fulfill its obligation or be delayed in fulfilling its obligation. Management believes the credit risk with respect to its use of liquidity partners to be remote. In the remote case of a liquidity partner not fulfilling its obligation, the Company expects to use its cash and/or digital currencies to complete the trade.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its short-term obligations. Accounts payable and accrued liabilities, other than accrued compensation, generally have maturities of 30 days or less or are due on demand. The Company forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met by accessing financing through public equity offerings and private placements.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as commodity and equity price risk.

i. Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

ii. Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has investment assets, some liabilities and revenue or expenses denominated in a foreign currency, so is exposed to foreign currency risk. The Company does not currently hedge its exposure to foreign currency cash flows as management has determined that currency risk is not significant. The Company's main risk is associated with fluctuations in US dollars.

iii. Commodity and equity price risk

Commodity and equity price risk arises from market fluctuations in commodity and equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk includes declines in the values and volumes of (i) its own equity shares which could impede its ability to raise additional funds when required and (ii) its investment in various marketable securities.

All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their carrying value.

Digital currencies risk

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. Further, digital currencies have no underlying backing or contracts to enforce recovery of invested amounts.

At September 30, 2023, the Company held with reputable custodians and liquidity providers digital currency inventory valued at $63,336,533 (December 31, 2022 - $39,591,608) and digital currency investments of $1,328,736 (December 31, 2022 - $3,126,394). At September 30, 2023, had the market price of the Company's digital currency assets changed by 10% with all other variables remaining constant, the corresponding digital asset value change would be approximately $6,466,527 (December 31, 2022 - $4,271,800).

The profitability of the Company is directly related to the current and future market price of digital assets. In addition, the Company may not be able to liquidate its digital currency inventory at its desired price if required. Investing in digital currencies 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. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets. Digital assets have a limited history and the fair value historically has been very volatile. Historical performance of digital assets is not indicative of their future price performance.

Custody and Safeguarding of Digital Currencies

Netcoins has made safeguarding and custody of customer assets a priority and has dedicated significant time and resources to evaluating third-party custody providers to ensure the solution offered through Netcoins provides the most integrity and security to its customers. Netcoins does not maintain custody of (or otherwise hold) crypto assets owned by customers.

Netcoins utilizes BitGo Trust Company, Inc. ("BitGo") as its primary custodian for the majority, roughly 90%, of its digital currency inventory.

On March 24, 2022, Netcoins received an update to its restricted dealer license with the BCSC and CSA that permits the company to hold up to 20% of its total client crypto assets online in hot wallets secured by Fireblocks Ltd. ("Fireblocks").

Netcoins utilizes BitGo's and Fireblocks' self-custody technology, in the form of hot wallets, for approximately 10% of its digital currency inventory to support daily transactions.

A summary of each service provider is set out below.

BitGo Trust Company, Inc.

BitGo Trust Company, Inc. acts as the third-party custodian for customer crypto assets (including providing cold wallet custodian services). BitGo is responsible for holding and safeguarding these crypto assets. BitGo does not act as a payment processor in connection with their custodian service arrangements with Netcoins.

BitGo is a trust company organized under the laws of the State of South Dakota and regulated as a trust company by the Division of Banking in South Dakota. BitGo has not appointed any sub-custodian to hold any of the crypto assets. All of the Company's long-term Bitcoin investment holdings are also held in cold storage with BitGo.

BitGo provides insured wallet management and custody solutions for a variety of digital assets, maintaining a comprehensive insurance policy for digital assets covering $250 million in losses for crypto assets held in cold storage, including the assets owned by Netcoins' customers. BitGo is not responsible for any losses resulting from inaccurate instructions and the Company is responsible for maintaining adequate security and control of any and all keys, IDs, passwords, hints, personal identification numbers, non-custodial wallet keys, API keys, yubikeys, 2-factor authentication devices or backups, or any other codes that the Company uses to access BitGo. Furthermore, BitGo is not responsible for any damage or interruptions caused by any computer viruses, spyware, scareware, Trojan horses, worms or other malware that may affect the Company's computer or other equipment, or any phishing, spoofing or other attack, unless such damage or interruption directly resulted from BitGo's gross negligence, fraud, or willful misconduct. There are no limitations on liability if BitGo breaches its confidentiality obligations or if any damage or interruptions directly result from BitGo's gross negligence, fraud, or willful misconduct. All other damages are limited to the fees paid to BitGo within the twelve-month period preceding the incident giving rise to such liability.

The due diligence process for BitGo included the following:

- Review of BitGo Inc.'s (which licenses technology to BitGo Trust Company, Inc.) SOC 2 Type 2 report and certification (System and Organization Controls Report Relevant to Security conducted by Deloitte for the periods from December 1, 2020 to September 30, 2021, and October 1, 2021 to September 30, 2022, with a bridge letter obtained for the period of October 1, 2022 to December 31, 2022.
- Review of BitGo Trust Company's SOC 1 Type 2 report and certification for the period of April 1, 2021 to September 30, 2021 and October 1, 2021 to September 30, 2022, with a bridge letter obtained for the period of October 1, 2022 to December 31, 2022.
- Review of BitGo's comprehensive insurance policy for digital assets which currently covers $250 million in losses for funds held in cold storage, includes a set of corporate insurance policies, and optional hot wallet insurance.
- Confirmation that BitGo will hold all crypto assets in trust for customers of Netcoins in an omnibus account in the name of Netcoins, and separate and distinct from the assets of Netcoins and all of BitGo's other clients.
- Review of BitGo systems that permit Netcoins to generate a unique address for each customer account so it can track who sent the funds in, and which account to credit. When a customer sends funds, it creates a new BitGo sub-account, which feeds into one main account which is in the name of Netcoins. Once a customer account is funded with the relevant crypto asset, BitGo custodies the crypto asset. BitGo utilizes 100% multi-signature technology to remove single points of failure, user and wallet controls to establish and enforce internal policies and procedures, and two-factor authentication for all accounts.
- Review of BitGo's policies and procedures which it has established and applied that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the crypto assets for which it acts as custodian.
- Confirmation that BitGo has an independent internal audit performed by Eide Bailly LLP, a public accounting firm.

Netcoins has conducted due diligence on BitGo and has not identified any material concerns. The Company is not aware of anything with regards to BitGo's operations that would adversely affect the Company's ability to obtain an unqualified audit opinion on its audited financial statements. The Company is not aware of any security breaches or other similar incidents involving BitGo as a result of which crypto assets have been lost or stolen. There are no restrictions on the Company's ability to move crypto assets from the custodianship of BitGo, and these transfers can occur immediately, subject to the control processes, such as two video conferences to authorize cold storage transfers.

Netcoins has assessed the risks and benefits of using BitGo and has determined that in comparison to a Canadian custodian it is more beneficial to use BitGo, a U.S. custodian, to hold client assets than using a Canadian custodian, as there is not a suitable Canadian custodian option at this time.

In addition to the initial due diligence on BitGo, Netcoins continues to conduct ongoing due diligence on BitGo. As part of an annual review, Netcoins will require BitGo to:

- provide copies of any completed SOC reports and reviewing same for any increase risk to Netcoins;
- confirm from BitGo that it maintains adequate insurance coverage;
- verify the amount of BitGo's equity and other financial metrics to address counterparty risk; and
- verify that BitGo maintains any requisite licenses including licenses issued by the Division of Banking in South Dakota or any other regulator.

The Company currently uses both hot and cold wallet systems within BitGo.

- The cold wallet is completely segregated, is not connected to the internet and is used for long term storage of crypto assets. The cold wallet requires two of four authorized signatories, as representatives of the Company, to verify any transfers from the cold wallet via video conference.

- The hot wallet is connected through the internet, is connected to the Netcoins web application via API and all customer deposits and withdrawals are processed through the hot wallet. As thresholds are met, transfers are reviewed and signed manually by one of four authorized signatories.

Fireblocks Ltd.

Fireblocks is a developer of a blockchain security platform designed to protect digital assets. The platform securely transfers assets across exchanges, wallets, custodians, and counterparties and keeps them readily available using Fireblocks' patent-pending chip isolation security, and model predictive control (MPC) technology, enabling traders to safeguard digital assets.

Fireblocks is incorporated under the laws of Tel Aviv, Israel, and has obtained a SOC 2 Type 2 audit report prepared by the auditors of Fireblocks, a leading global audit firm. Netcoins has reviewed a copy of the SOC 2 Type 2 report for the period of September 1, 2020 to August 31, 2021, and September 1, 2021 to August 31, 2022, with a bridge letter obtained for the period of September 1, 2022 to December 31, 2022 and has not identified any material concerns.

Netcoins licenses software from Fireblocks which includes a crypto asset wallet that stores private and public keys and interacts with various blockchains to send and receive crypto assets and monitor balances. To provide additional security for keys to crypto assets held with Fireblocks, Netcoins licenses software from Digital Assets Services Limited (trading as "Coincover"), including key pair creation, key pair storage, device access recovery and account access recovery. Coincover is based in the United Kingdom and is regulated by the U.K. Financial Conduct Authority.

Netcoins is permitted to to hold up to 20% of its total client crypto assets online in hot wallets secured by Fireblocks. Hot wallets are connected to the internet, so the private keys required to sign transactions are always online. Transactions can be created and recorded on the blockchain in an automated way, without the need for human involvement. The advantage of this approach is that users can quickly and easily trade their assets. The disadvantage is that because the wallet is always connected to the internet and the keys are in a single location, this approach can be more vulnerable to theft if the security of the system is compromised.

Netcoins has obtained third-party insurance which includes coverage for the crypto assets held in Fireblocks hot wallets in the event of loss or theft. As well, Fireblocks has insurance coverage in the amount of USD$30 million in aggregate, in the event of theft of crypto assets from hot wallets secured by Fireblocks - including the assets owned by Netcoins' customers. Additionally, backup key material for Netcoins' hot wallets is secured by Coincover and is 100% insured against loss or theft via a leading global insurance provider. To further mitigate risk to its clients, Netcoins will set aside cash that will be held in an account at a Canadian financial institution, separate from the its operational accounts and a client trust account, in an amount equal to or greater than the value of client crypto obligations held with Fireblocks less the amount of Fireblocks insurance coverage. Depending on the circumstances, either funds from Coincover or Netcoins' supplemental bank account would be available in the event of the loss of crypto assets held in Netcoins' hot wallet.

RISKS AND UNCERTAINTIES

The Company is an early-stage technology company with limited operating history and, in addition to facing all of the competitive risks it will also face all the risks inherent in developing a business including: access to capital, ability to attract and retain qualified employees, ability to attract and maintain customers and the ability to put in place appropriate operating and control procedures routines.

Industry specific risks include, but are not limited to:

- *Entry into Digital Asset Development and Exchange Business:* The digital currency business is highly competitive, and is populated with many companies, large and small, with the capital and expertise to evaluate, purchase and exploit new innovative opportunities. Even with capital and experience, industry risks are significant. Regulatory compliance is an increasingly complex and costly obstacle to many new projects, and often times, and even if compliance is obtained, they may be sufficiently restrictive or stifle innovation of start-up opportunities with distributed ledger technology. The Company may not be able to finance its potential growth as demand on human resources increases. There is no assurance that its entry into this business activity will be successful.

- *Failure to Innovate:* The Company's success depends upon its ability to design, develop, test, market, license and support new software products and enhancements of current products on a timely basis in response to both competitive threats and marketplace demands. In addition, software products and enhancements must remain compatible with the other software products and systems used by its customers. Often, the Company must integrate software licensed or acquired from third parties with its proprietary software to create or improve its products. If the Company is unable to successfully integrate third party software to develop new software products and enhancements to existing products, or to complete products currently under development, its operating results will materially suffer. In addition, if the integrated or new products or enhancements do not achieve acceptance by the marketplace, the Company's operating results will materially suffer. Also, if new industry standards emerge that the Company does not anticipate or adapt to, its software products could be rendered obsolete and, as a result, its business and operating results, as well as its ability to compete in the marketplace, would be materially harmed.
- *Competition*: The Company is engaged in an industry that is highly competitive. Because its industry is evolving and characterized by technological change, it is difficult for the Company to predict whether, when and by whom new competing technologies may be introduced or when new competitors may enter the market. The Company faces increased competition from companies with strong positions in certain markets the Company intends to serve and in new markets and regions it may enter. Many of the Company's competitors have significantly greater financial and other resources than the Company currently possesses and may spend significant amounts of resources to gain market share. The Company cannot assure investors that it will be able to compete effectively against current and future competitors. In addition, increased competition or other competitive pressures may result in price reductions, reduced margins or loss of market share, any of which could have a material adverse effect on the Company's business, financial condition or results of operations. Competitors may be able to respond to new or emerging technologies and changes in customer requirements more effectively than the Company can, or devote greater resources to the development, promotion and sale of products than the Company can. Current and potential competitors may establish cooperative relationships among themselves or with third parties, including through mergers or acquisitions, to increase the ability of their products to address the needs of the Company's prospective customers. If these competitors were to acquire significantly increased market share, it could have a material adverse effect on the Company's business, financial condition or results of operations. The Company's competitors may also establish or strengthen co-operative relationships with systems integrators, third-party consulting firms or other parties with whom the Company has relationships, thereby limiting its ability to promote its products.
- *Failure to Protect its Intellectual Property:* Failure to protect the Company's intellectual property could harm its ability to compete effectively. The Company is highly dependent on its ability to protect its proprietary technology. The Company intends to rely on a combination of copyright, trademark and trade secret laws, as well as non-disclosure agreements and other contractual provisions to establish and maintain its proprietary rights. The Company intends to protect its rights vigorously. However, there can be no assurance that these measures will, in all cases, be successful. Enforcement of the Company's intellectual property rights may be difficult, particularly in some nations outside of North America in which the Company may seek to market its products. While U.S. and Canadian copyright laws, international conventions and international treaties may provide meaningful protection against unauthorized duplication of software, the laws of some foreign jurisdictions may not protect proprietary rights to the same extent as the laws of Canada or of the United States. The absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent protection of the Company's proprietary rights. Software piracy has been, and is expected to be, a persistent problem for the software industry, and piracy of the Company's products represents a loss of revenue to the Company. Despite the precautions the Company may take, unauthorized third parties, including its competitors, may be able to: (i) copy certain portions of its products; or (ii) reverse engineer or obtain and use information that the Company regards as proprietary. Also, the Company's competitors could independently develop technologies that are perceived to be substantially equivalent or superior to the Company's technologies. The Company's competitive position may be materially adversely affected by its possible inability to effectively protect its intellectual property.
- *Intellectual Property Infringement:* Other companies may claim that the Company has infringed their intellectual property, which could materially increase costs and materially harm the Company's ability to generate future revenue and profits. Claims of infringement are becoming increasingly common as the software industry develops and as related legal protections, including patents are applied to software products. Although the Company does not believe that its

products infringe on the rights of third parties, third parties may assert infringement claims against the Company in the future. Although most of the Company's technology is proprietary in nature, the Company does include significant amounts of third-party software in its products. In these cases, this software is licensed from the entity holding the intellectual property rights. Although the Company believes that it has secured proper licenses for all third-party software that is integrated into its products, third parties may assert infringement claims against the Company in the future. Any such assertion may result in litigation or may require the Company to obtain a license for the intellectual property rights of third parties. Such licenses may not be available, or they may not be available on reasonable terms. In addition, such litigation could be disruptive to the Company's ability to generate revenue or enter into new market opportunities and may result in significantly increased costs as a result of the Company's efforts to defend against those claims or its attempt to license the patents or rework its products to ensure they comply with judicial decisions. Any of the foregoing could have a significant adverse impact on the Company's business and operating results as well as its ability to generate future revenue and profits. The loss of licenses to use third-party software or the lack of support or enhancement of such software could materially adversely affect the Company's business. The Company could also be forced to do one or more of the following: (i) stop selling, incorporating or using its products that use the challenged intellectual property; (ii) obtain from the owner of the infringed intellectual property right a license to sell or use the relevant technology, which license may not be available on reasonable terms, or at all; (iii) redesign those products that use allegedly infringing technology which may be costly or time-consuming; or (iv) refund license fees and other amounts received, and make payments of additional amounts in damages or settlement payments, for allegedly infringing technology or products.

- *Reliance on Third Party Software:* The Company currently depend upon third-party software products to develop its products. If in future such reliance existed and the software products were not available, the Company might experience delays or increased costs in the development of its products. The Company currently does not rely on software products that it licenses from third-parties. Should the Company in the future rely upon third-party software licenses that may not continue to be available to the Company, and the related software may not continue to be appropriately supported, maintained, or enhanced by the licensors, the loss by the Company of the license to use, or the inability by licensors to support, maintain, and enhance any of such software, could result in increased costs or in delays or reductions in product shipments until equivalent software is developed or licensed and integrated with internally developed software. Such increased costs or delays or reductions in product shipments could materially adversely affect its business. The loss of the Company's rights to use software licensed to it by third parties could increase its operating expenses by forcing the Company to seek alternative technology and materially adversely affect its ability to compete. In addition, the Company's web-based software applications depend on the stability, functionality and scalability of the underlying infrastructure software including application servers, databases, java platform software and operating systems produced by IBM, Microsoft and others. If weaknesses in such infrastructure software exist, the Company may not be able to correct or compensate for such weaknesses. If the Company is unable to address weaknesses resulting from problems in the infrastructure software such that its products do not meet customer needs or expectations, its reputation, and consequently, its business may be significantly harmed.

- *Regulatory Risks:* The activities of the Company may be subject to regulation by governmental authorities. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

- *Use of Open Source Software:* The Company's software makes use of and incorporates open source software components. These components are developed by third parties over whom the Company has no control. There are no assurances that those components do not infringe upon the intellectual property rights of others. The Company could be exposed to infringement claims and liability in connection with the use of those open source software components, and the Company may be forced to replace those components with internally developed software or software obtained from another supplier, which may increase its expenses. The developers of open source software are usually under no obligation to maintain or update that software, and the Company may be forced to maintain or update such software itself or replace such software with internally developed software or software obtained from another supplier, which may increase its expenses. Making such replacements could also delay enhancements to its products. Certain open source software licenses provide that the licensed software may be freely used, modified and distributed to others provided that any modifications made to such software, including the source code to such modifications, are also made available under the same terms and conditions. As a result, any modifications the Company makes to such software will be available to all downstream users of the software, including its competitors. In addition, certain open source licenses provide that if the Company wishes to combine the licensed software, in whole or in part, with its proprietary software, and distribute copies of the resulting combined work, the Company may only do so if such copies are distributed under the same terms and conditions as the open source software component of the work was licensed to the Company, including the requirement to make the source code to the entire work available to recipients of such copies. The types of combinations of open source software and proprietary code that are covered by the requirement to release the source code to the entire combined work are uncertain and much debated by users of open source software. An incorrect determination as to whether a combination is governed by such provisions will result in non-compliance with the terms of the open source license. Such non-compliance could result in the termination of the Company's license to use, modify and distribute copies of the affected open source software and the Company may be forced to replace such open source software with internally developed software or software obtained from another supplier, which may increase its expenses. In addition to terminating the affected open source license, the licensor of such open source software may seek to have a court order that the proprietary software that was combined with the open source software be made available to others, including its competitors, under the terms and conditions of the applicable open source license.

- *Lack of Operating History:* The Company has only recently started to carry on its business. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. The failure by the Company to meet any of these conditions could have a materially adverse effect on the Company and may force it to reduce, curtail, or discontinue operations. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations. The Company may not successfully address all of the risks and uncertainties or successfully implement its existing and new products and services. If the Company fails to do so, it could materially harm its business and impair the value of its common stock, resulting in a loss to shareholders. Even if the Company accomplishes these objectives, the Company may not generate the anticipated positive cash flows or profits. No assurance can be given that the Company can or will ever be successful in its operations and operate profitably.
- *Growth and Consolidation in the Industry:* Acquisitions or other consolidating transactions could have adverse effects on the Company. The Company could lose strategic relationships if its partners are acquired by or enter into agreements with a competitor, causing the Company to lose access to distribution, content and other resources. The relationships between the Company and its strategic partners may deteriorate and cause an adverse effect on the business. The Company could lose customers if competitors or user of competing technology consolidate with the Company's current or potential customers. Furthermore, the Company's current competitors could become larger players in the market or new competitors could form from consolidations. Any of the foregoing events could put the Company at a competitive disadvantage, which could cause the Company to lose customers, revenue, and market share. Consolidation in the industry could also force the Company to divert greater resources to meet new or additional competitive threats, which could harm the Company's operating results.
- *Intellectual Property Risks:* The Company`s ability to compete largely depends on the superiority, uniqueness, and value of its intellectual property and technology, including both internally-developed technology and the ability to acquire patent protection and/or trademark protection. To protect its proprietary rights, the Company will rely on a combination of trademark, copyright, and trade secret laws, trademark and patent applications, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, certain risks may reduce the value of the Company's intellectual property. The Company's applications for trademarks and copyrights relating to its business may not be granted, and if granted, may be challenged or invalidated. There is no guarantee that issued trademarks and registered copyrights will provide the Company with any competitive advantages. The Company's efforts to protect its intellectual property rights may not be effective in preventing misappropriation of

its technology and may not prevent the development and design by others of products or technology similar to, competitive with, or superior to those the Company develops. There is a risk that another party may obtain a blocking patent and the Company would need to either obtain a license or design around the patent in order to continue to offer the contested feature or service in its products.

- *Access, loss or theft:* There is a risk that some or all of our users' holdings of digital currencies could be lost, stolen, destroyed or rendered inaccessible, potentially by the loss or theft of the private keys held by custodians associated with the public addresses that hold our users' digital currencies and/or the destruction of storage hardware. Multiple thefts of digital currencies from other holders have occurred in the past. Because of the decentralized process for transferring digital currencies, thefts can be difficult to trace, which may make digital currencies a particularly attractive target for theft. The Company has security protocols in place; however, there is no assurance that these protocols will be successful in preventing such restriction of access, loss, or theft. Security breaches, cyber-attacks, malware and hacking attacks have been a prevalent concern for crypto trading platforms. The Company obtains and processes sensitive customer data. Any real or perceived improper use of, disclosure of, or access to such data could harm the Company's reputation, as well as have an adverse effect on its business. Any cyber security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could harm the Company's reputation and adversely affect its business, financial condition or results of operations.
- *Changes in the value of digital assets may affect trading:* Investing in digital assets is speculative, prices are volatile and market movements are difficult to predict. Supply and demand for digital assets can change rapidly and is affected by a variety of factors, including regulation and general economic trends. The markets for digital assets have experienced much larger fluctuations than other markets, and there can be no assurances that erratic swings in price will slow in the future. In the event that the price of digital assets decline, the value of an investment in the Company will also likely decline. Several factors may affect the price and volatility of digital assets, including, but not limited to: (i) global demand for digital assets; (ii) the perception that the use, holding and trading of digital assets is safe and secure, and the related lack of or inconsistency in regulatory restrictions, particularly across various jurisdictions; (iii) conversely, heightened regulatory measures restricting the use of digital assets as a form of payment or the purchase of digital assets; (iv) investor's expectations with respect to the rate of inflation; (v) interest rates; (vi) currency exchange rates, including exchange rates between digital assets and fiat currency; (vii) fiat currency withdrawal and deposit policies on crypto trading platforms and liquidity on such platforms; (viii) interruption of services or failures of major digital asset trading platforms; (ix) general governmental monetary policies, including trade restrictions and currency revaluations; and (x) global or regional political, economic or financial events and situations, including increased threat or terrorist activities.
- *Faulty code:* Flaws in the source code for digital assets have been exposed and exploited in past, including those that exposed users' personal information and/or resulted in the theft of users' digital assets. Discovery of flaws in, or exploitations of, source code that allows malicious actors to take or create money in contravention of known network rules has occurred. A malicious actor may be able to steal the Company and/or its users' digital assets, which could result in reputational damage to and could adversely affect the Company's businesses, financial condition or results of operations, and result in a material loss for it and/or its users.

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described above before investing in the Company's common shares. The risks described above are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business. If any of these risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously impacted and investors may lose some or all of their investment.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as of September 30, 2023 and as at the date of this MD&A.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates, assumptions, and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized on a prospective basis beginning from the period in which they are revised.

With the exception of the policies outlined in Note 3 to the condensed consolidated interim financial statements, all of the Company's significant accounting policies and estimates are included in Note 3 of its audited consolidated financial statements for the year ended December 31, 2022.

OUTSTANDING SHARE DATA AS AT THE DATE OF THIS MD&A

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	318,353,298

(b) Summary of options outstanding:

Security	Number	Number Exercisable	Exercise Price Range
Options	25,647,035	23,215,940	$0.08 to $3.00

(c) Summary of warrants outstanding: Nil

CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements and the respective accompanying Management's Discussion and Analysis for the period ended September 30, 2023.

DISCLOSURE CONTROLS

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with IFRS.

CSE listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making.