SPIRIT BLOCKCHAIN CAPITAL INC.

Management's Discussion and Analysis

For the three and six months ended June 30, 2023 and 2022

(Expressed in Canadian dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the consolidated financial statements of Spirit Blockchain Capital Inc. (the "Company") and the notes thereto for the three and six months ended June 30, 2023 and 2022 (collectively referred to hereafter as the "financial statements"). The following discussion and analysis, prepared by management, reviews the Company's financial condition and results of operations for the three and six months ended June 30, 2023 and 2022. The MD&A should be read in conjunction with the financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee. This MD&A provides management's analysis of the Company's historical financial and operating results and provides estimates of the Company's future financial and operating performance based on information that is currently available.

In this MD&A, the "Company", or the words "we", "us", or "our", collectively refer to Spirit Blockchain Capital Inc. and its subsidiaries. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The year-to-date periods ended June 30, 2023 and 2022 are referred to as "YTD 2023" and "YTD 2022", respectively.

All amounts are expressed in Canadian dollars unless otherwise stated. Amounts denominated in United States dollars are denoted as "USD" or "US$" and the amounts denominated in Swiss francs are denoted as "CHF".

This MD&A has been approved by the Company's Board of Directors ("Board") as at August 29, 2023.

FORWARD-LOOKING STATEMENTS

Certain statements in this document constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "expect", "plan", "intend", or similar words suggesting future outcomes or an outlook. Forward-looking information in this document includes, but is not limited to:

- our business plan and investment strategy; and
- general business strategies and objectives.

Such forward-looking information is based on a number of assumptions which may prove to be incorrect. Assumptions have been made with respect to the following matters, in addition to any other assumptions identified in this document which includes, but is not limited to:

- taxes and capital, operating, general & administrative and other costs;
- general business, economic and market conditions;
- the ability of the Company to obtain the required capital to finance its investment strategy and meet its commitments and financial obligations;
- the ability of the Company to obtain services and personnel in a timely manner and at an acceptable cost to carry out activities; and
- the timely receipt of required regulatory approvals.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on them as there can be no assurance that such expectations will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially than anticipated and described in the forward-looking information. The material risks and uncertainties include, but are not limited to:

- meeting current and future commitments and obligations;
- general business, economic and market conditions;
- the uncertainty of estimates and projections relating to future costs and expenses;
- changes in, or in the interpretation of, laws, regulations or policies;
- the ability to obtain required regulatory approvals in a timely manner;
- the outcome of existing and potential lawsuits, regulatory actions, audits, and assessments; and
- other risks and uncertainties described elsewhere in this document.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risks and Uncertainties" herein. The forward-looking information contained in this document is made as of the date hereof and, except as required by applicable securities law, the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

OVERVIEW

This MD&A has been prepared by management and reviewed by the Board. For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

DESCRIPTION OF BUSINESS

Spirit Blockchain Capital Inc. was incorporated under the Business Corporations Act on January 19, 2021 in British Columbia, Canada. The purpose of the Company is to offer products and services to the digital assets and blockchain ecosphere. The Company holds a portfolio of crypto-currencies, some of which it has staked, and invests in other listed companies operating in this ecosphere. The Company provides blockchain and advisory services to third parties. The Company can mine crypto-currencies, lend both FIAT money and crypto coins (royalties and streaming), provide consulting service and undertake merger and acquisition activity.

The Company aims to generate recurring cash flows streams through its different business units. The diversification of its activities will allow the Company to be less volatile than the digital asset markets. The Company wants to become a value stock in a growing environment.

The Company aims to become a leading blockchain & digital asset company focused on streaming, royalties, and digital asset investments. The firm provides investors with a direct exposure to the sector, without the technical complexity or constraints of purchasing the underlying digital assets. The Company's strategy is based upon management's conviction that the blockchain and digital asset ecosystem will register significant growth and outperform traditional asset classes over the medium to long-term. As a result, digital assets will become an integral part of diversified portfolios.

The Company's strategy focuses on four complimentary economic units:

- Royalties & Streams by providing capital to blockchain ecosystem participants, where repayment of the notional takes place in the form of digital assets.
- Advisory & Research Services for institutional and private investors with investment products.
- Treasury Management through balance sheet enhancement with major digital asset investments.
- Licensing Blockchain and Digital Assets Technology products to market participants initially in Europe as well as providing consulting services to support these products.

HIGHLIGHTS

During the three and six months ended June 30, 2023, the Company had the following transactions:

- On January 25, 2023, the Company settled consulting fees of $126,100 through the issuance of 2,441,074 common shares of the Company to certain consultants and employees of which 2,171,331 shares were issued at $0.05 per share and 269,743 shares were issued at $0.065 per share and such distribution was made on a debt-for-shares basis in accordance with the policies of the Canadian Stock Exchange.

- On February 6, 2023, the Company entered into a subscription agreement with InvestDEFY Technologies Inc. ("InvestDEFY"), whereby the Company purchased 645,162 Class B voting shares of InvestDEFY ("InvestDEFY Shares") for a purchase price of US$0.62 per share for an aggregate subscription amount of US$400,000. As consideration, the Company is to provide InvestDEFY with US$200,000 in cash (paid US$17,946 ($24,999)) and issue 5,400,000 common shares (issued) of the Company at $0.05 per share. Under the terms of the subscription agreement, the InvestDEFY Shares shall pay a variable dividend targeting 10% or more per annum with a floor of 7.5% per annum, payable semi-annually until conversion or repurchase, starting July 31, 2023. These Class B common shares shall convert into Class A common shares after a two-year period subject to InvestDEFY's right to repurchase 40% of the Class B shares at the end of such two-year period.

- On February 7, 2023, the Company entered into a share purchase agreement with Pixel (Cayman) Limited ("Pixel"), pursuant to which the Company agreed to purchase 40,000 common shares of Pixel for an aggregate purchase price of US$50,000, with the first instalment of US$25,000 payable on February 7, 2023 (paid US$18,145 ($25,000)), second instalment of US$25,000 on the earlier of April 30, 2023 or when Pixel completes an equity investment ("Pixel Equity Investment") that enables it to build and launch the Pixel stablecoin platform; and a top-up instalment subject to certain conditions payable on the closing date of Pixel Equity Investment.

INVESTMENTS HELD FOR TRADING

A summary of the Company's investments held for trading is as follows:

			June 30, 2023			December 31, 2022
	Shares held	**Fair value**	**Cost**	Shares held	Fair value	Cost
	#	**$**	**$**	#	$	$
Coinbase Global Inc.	**-**	**-**	**-**	203	9,730	50,897
Hut 8 Mining Corp.	**-**	**-**	**-**	1,984	2,301	12,317
Signature Bank	**-**	**-**	**-**	52	8,115	16,481
Silvergate Capital Corp.	**-**	**-**	**-**	260	6,128	26,619
		-	**-**	2,499	26,274	106,314

During the three and six months ended June 30, 2023, the Company recognized a loss on change in fair value on investments held for trading of $nil and $nil, respectively (2022 - $100,212 and $208,257, respectively).

During the three and six months ended June 30, 2023, the Company recognized realized gains on sales of investments held for trading of $nil and $8,869, respectively (2022 - loss of $244,435 and $244,435, respectively); and received dividend income of $nil and $49, respectively (2022 - $54 and $102, respectively).

DIGITAL ASSETS

The Company has a brokerage account with Crypto Finance AG in Zurich, Switzerland, Bitcoin Suisse AG in Grafenauweg, Switzerland and Gnosis wallet. Digital assets are recorded at their fair value on the date they are received and are revalued to their fair value at each reporting date.

A summary of the Company's digital assets is as follows:

			June 30, 2023			December 31, 2022
	Units held	**Fair value**	**Cost**	Units held	Fair value	Cost
	#	**$**	**$**	#	$	$
Current						
Chainlink	**391.736**	**3,272**	**4,963**	391.736	2,955	4,963
Ethereum	**16.207**	**41,483**	**35,285**	66.888	108,419	171,705
Sushiswap	**1,692.130**	**1,546**	**20,236**	1,692.130	2,118	20,236
USD Coin	**1,210.733**	**1,603**	**1,223**	107,991.310	146,263	109,081
		47,904	**61,707**		259,755	305,985
Non-current						
Avalanche	**-**	**-**	**-**	2,077.295	30,667	48,224
Cardano	**19,955.615**	**7,937**	**20,000**	19,654.867	6,562	20,000
Cosmos	**1,354.451**	**17,292**	**37,500**	1,280.087	16,211	37,500
Ethereum	**8.140**	**21,806**	**20,000**	8.140	13,194	20,000
Polkadot	**2,790.117**	**19,917**	**47,500**	2,537.104	14,810	47,500
		66,952	**125,000**		81,444	173,224
Total		**114,856**	**186,707**		341,199	479,209

During the three and six months ended June 30, 2023, the Company recorded a loss on change in fair value of digital assets of $14,808 and $49,591, respectively (2022 - loss of $343,444 and $367,670, respectively), through profit or loss; $nil and $5,607, respectively (2022 - loss of $569,202 and $697,196, respectively), through other comprehensive income; and recognized a realized gain on sale of digital assets of $1,139 and $24,290, respectively (2022 - loss of $451,978 and $470,168, respectively).

The non-current portion consists of the digital assets are used for staking rewards. During the three and six months ended June 30, 2023, the Company was granted staking rewards by the blockchain networks in which it participates. The staking rewards were recognized as other income in profit or loss.

A summary of the Company's staking rewards for the three and six months ended June 30, 2023 and 2022 is as follows:

	Q2 2023	Q2 2022	**YTD 2023**	YTD 2022
	$	$	**$**	$
Avalanche	**-**	-	**296**	-
Cardano	**75**	163	**153**	267
Cosmos	**90**	779	**1,306**	1,557
Polkadot	**1,024**	1,293	**2,118**	2,436
	1,189	2,235	**3,873**	4,260

INVESTMENTS

a) Investment in InvestDEFY

On February 6, 2023, the Company entered into a subscription agreement with InvestDEFY Technologies Inc. ("InvestDEFY"), whereby the Company purchased 645,162 Class B voting shares of InvestDEFY ("InvestDEFY Shares") for a purchase price of US$400,000.

In consideration for the purchase of the InvestDEFY Shares the Company agreed to the following terms:

- to pay cash consideration of US$200,000 (paid $24,999 (US$17,946)); and
- to issue 5,400,000 common shares representing US$200,000 (issued on February 6, 2023).

Under the terms of the subscription agreement, the InvestDEFY Shares yield a variable dividend starting July 31, 2023, payable semi-annually until conversion or repurchase, subject to a 7.5% per annum floor, and targeting 10% or more per annum. The InvestDEFY Shares convert into Class A common shares after a two-year period subject to InvestDEFY's right to repurchase 40% of the Class B shares at the end of such two-year period.

On March 14, 2023, the Company signed a side letter agreement with InvestDEFY, to pay the outstanding cash consideration of $245,001 (US$182,054) between March 15, 2023 and July 31, 2023 (the "Payment Term"). During the Payment Term, for each weekday that the outstanding cash consideration remains payable, the Company assigns 1% of its July 31, 2023 dividend back to InvestDEFY. As at June 30, 2023, the outstanding cash consideration remained unpaid.

The investment in InvestDEFY is a strategic investment and as a result, is classified as non-current in the statements of financial position. As at the approval date of these financial statements, the Notes are currently due on demand as the Company anticipates completing a private placement prior to December 31, 2023, and the lenders have not expressed intent to demand repayment.

The Company does not serve in an advisory role or appoint a representative to the board of directors of InvestDEFY.

As at March 31, 2022, the investment was measured at cost as management concluded that there is insufficient information available to determine a more reliable fair value. Management has no contrary information that the performance of the investee is significantly different from the date of its initial investment, that there have been any changes in InvestDEFY's operations or the market for its products, or the economy in which it operates. Management did not note any indicators that the investment in InvestDEFY may be impaired.

b) Investment in Pixel

On February 7, 2023, the Company entered into a share purchase agreement with Pixel (Cayman) Limited ("Pixel"), whereby the Company agreed to purchase 40,000 common shares of Pixel for a purchase price of US$50,000.

In consideration for the purchase of the Pixel common shares the Company has agreed to the following terms:

- first instalment of US$25,000 payable on February 7, 2023 (paid $25,000 (US$18,145));
- second instalment of US$25,000 on the earlier of April 30, 2023 or when Pixel completes an equity investment ("Pixel Equity Investment") that enables it to build and launch the Pixel stablecoin platform; and
- a top-up instalment subject to certain conditions payable on the closing date of Pixel Equity Investment.

The investment in Pixel is a strategic investment and as a result, is classified as non-current in the statements of financial position. As at the approval date of these financial statements, the Notes are currently due on demand as the Company anticipates completing a private placement prior to December 31, 2023, and the lenders have not expressed intent to demand repayment.

The Company does not serve in an advisory role or appoint a representative to the board of directors of Pixel.

As at March 31, 2022, the investment was measured at cost as management concluded that there is insufficient information available to determine a more reliable fair value. Management has no contrary information that the performance of the investee is significantly different from the date of its initial investment, that there have been any changes in Pixel's operations or the market for its products, or the economy in which it operates. Management did not note any indicators that the investment in Pixel may be impaired.

OVERALL PERFORMANCE

The following financial data has been derived from the Company's financial statements for the three and six months ended June 30, 2023 and 2022:

	Q2 2023	Q2 2022	**YTD 2023**	YTD 2022
	$	$	**$**	$
Net loss for the period	**504,270**	1,638,866	**768,469**	2,173,071
Loss per common share - Basic and diluted	**0.01**	0.02	**0.01**	0.03

	June 30, 2023	December 31, 2022
	$	$
Financial position		
Total assets	**867,350**	738,925
Total liabilities	**839,395**	646,691
Working capital surplus (deficiency)	**(613,442)**	10,790

SUMMARY OF QUARTERLY RESUTLS

The following table summarizes selected quarterly financial information for the last eight quarters:

	Q2 2023	Q1 2023	Q4 2022	Q3 2022
	$	$	$	$
Net loss	**504,270**	264,199	773,649	445,745
Total comprehensive loss	**505,689**	255,906	743,084	418,102
Net loss per share - basic and diluted	**0.01**	0.00	0.01	0.01

	Q2 2022	Q1 2022	Q4 2021	Q3 2021
	$	$	$	$
Net loss	1,638,866	534,206	811,874	9,031,540
Total comprehensive loss	2,238,935	734,618	558,712	8,919,183
Net loss per share - basic and diluted	0.02	0.01	0.01	0.11

During the last eight quarters, the Company's net loss has ranged between $264,199 and $9,031,540. The Company has not yet achieved profitable operations and the range of net loss and comprehensive loss is correlated to the stability of the crypto market in any given quarter as this has an overall impact on the Company's digital assets and investments in other listed companies operating in the same industry. The global downturn of crypto market and the sales of the Company's digital assets were the major factors that contributed to Q2 2022 net loss while the increase in net loss for Q3 2021 was primarily driven by the non-cash transaction cost associated with the reverse-takeover transaction. Net loss in Q4 2021 and Q3 2022 is a result of higher share-based compensation recorded in connection with the accelerated vesting of stock options and restricted share units following the termination of the Company's consultants. The decrease in net loss for Q1 2023 is due to less professional fees and share-based compensation incurred compared to the same period in the previous year.

SOURCES AND USES OF CASH

	YTD 2023	YTD 2022
	$	$
Cash used in operating activities	**(285,610)**	(559,799)
Cash provided by investing activities	**28,221**	683,228
Effect of exchange rate on changes in cash	**13,415**	(3,613)
Change in cash	**(243,974)**	119,816
Cash, beginning of the period	**269,206**	684,949
Cash, end of the period	**25,232**	804,765

For Q2 2023, the Company reported net decrease in cash of $243,974 compared to an increase of $119,816 in the prior year comparable period, largely due to the payments for investments in InvestDEFY and Pixel. In addition, the Company recognized a loss in the fair value of digital assets compared to a gain in the prior year comparable period's gain on fair value of digital assets and investments held for trading. The Company did not have any financing activities during YTD 2023 and YTD 2022.

RESULTS OF OPERATIONS

	Q2 2023	Q2 2022	**YTD 2023**	YTD 2022
	$	$	**$**	$
Operating expenses				
Consulting fees	**94,000**	309,163	**310,334**	514,995
Filing fees	**4,500**	7,228	**6,750**	7,228
General and administrative	**40,395**	31,370	**60,692**	37,490
Professional fees	**121,446**	51,553	**160,090**	138,911
Share-based compensation	**231,473**	88,630	**301,216**	176,762
	491,814	487,944	**839,082**	875,386
Other income (expenses)				
Change in fair value of digital assets	**(14,808)**	(343,444)	**49,591**	(367,670)
Change in fair value of investments held for trading	**-**	(100,212)	**-**	(208,257)
Dividend income	**-**	54	**49**	102
Foreign exchange gain (loss)	**24**	(20,054)	**(17,113)**	(27,234)
Other income	**1,189**	12,147	**4,337**	23,669
Realized gain (loss) on sales of digital assets	**1,139**	(451,978)	**24,290**	(470,168)
Realized gain (loss) on sales of investment held for trading	**-**	(244,435)	**8,869**	(244,435)
	(12,456)	(1,147,922)	**70,023**	(1,293,993)
Loss before tax	**(504,270)**	(1,635,866)	**(769,059)**	(2,169,379)
Income tax recovery (expense)	**-**	(3,000)	**590**	(3,692)
Net loss	**(504,270)**	(1,638,866)	**(768,469)**	(2,173,071)
Other comprehensive income (loss)				
Change in fair value on digital assets	**-**	(569,202)	**5,607**	(697,196)
Change in foreign currency translation	**(1,419)**	(30,867)	**1,267**	(103,285)
Net loss and comprehensive loss	**(505,689)**	(2,238,935)	**(761,595)**	(2,973,552)

Q2 2023 compared to Q2 2022

For the three months ended June 30, 2023, the Company reported net loss of $504,270 compared to $1,638,866 in the prior year comparable period. Decrease in net loss is mainly attributed to the following:

- Consulting fees decreased to $94,000 compared to $309,163 in Q2 2022 due to the termination of consultants in the prior year period.
- Change in fair value of digital assets was a loss of $14,808 compared to $343,444 in Q2 2022, mainly due to the decline of the crypto market globally during Q2 2022 and recovery during Q2 2023.
- Change in fair value of investments held for trading was $nil compared to a loss of $100,212 in Q2 2022, due to the disposal of all investments held for trading during Q2 2022.
- Realized gain on sales of digital assets was a gain of $1,139 compared to loss of $451,978 in Q2 2022, mainly due to the sales of certain digital assets at a higher price than their carrying value during Q2 2023.
- Realized loss on sales of investments held for trading was $nil compared to $244,435 in Q2 2022, mainly due to the disposal of all investments held for trading during Q2 2022

Partially offsetting the decrease in net loss was the following:

- Professional fees were $121,446 compared to $51,553 in Q2 2022, mainly due to higher legal fees related to the preparation of an option and RSU agreement for Lewis Bateman in addition to increased audit fees.
- Share-based compensation was $231,473 compared to $88,630 in Q2 2022 due to accelerated vesting of cancelled options from consultants.
- Foreign exchange gain of $24 compared to a loss of $20,054 in Q2 2022, mainly due to the impact of the strengthening of US dollar against the Swiss franc on the translation of US dollar denominated digital assets.

YTD 2023 compared to YTD 2022

For the six months ended June 30, 2023, the Company reported net loss of $768,469 compared to $2,173,071 in the prior year comparable period. Decrease in net loss is mainly attributed to the following:

- Consulting fees decreased to $310,334 compared to $514,995 in YTD 2022, mainly due to the termination of consultants in the current period.
- Change in fair value of digital assets was a gain of $49,591 compared to loss of $367,670 in YTD 2022, mainly due to the decline of the crypto market globally during YTD 2022 and recovery during YTD 2023.
- Change in fair value of investments held for trading was $nil compared to a loss of $208,257 in YTD 2022, due to disposing all investments held for trading during YTD 2022.
- Realized gain on sales of digital assets was $24,290 compared to loss of $470,168 in YTD 2022, mainly due to the sales of certain digital assets at a higher price than their carrying value during YTD 2023.
- Realized gain on sales of investments held for trading was $8,869 compared to $244,435 in YTD 2022, mainly due to the sales of investments held for trading at a higher price than their carrying value during YTD 2023.
- Foreign exchange loss decreased to $17,113 compared to $27,234 in YTD 2022, mainly due to the impact of the strengthening of US dollar against the Swiss franc on the translation of US dollar denominated digital assets and investments.

Partially offsetting the decrease in net loss was the following:

- Professional fees increased to $160,090 compared to $138,911 in YTD 2022, mainly due to higher legal fees related to the preparation of an option and RSU agreement for Lewis Bateman in addition to increased audit fees.
- Share-based compensation increased to $301,216 compared to $176,762 in YTD 2022 due to accelerated vesting of cancelled options from consultants.

LIQUIDITY AND CAPITAL RESOURCES

The Company has sufficient working capital to continue operations in the normal course of business for the foreseeable future. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay its financial obligations. The Company manages liquidity risk by restricting cash reserves to offset funds due to creditors.

As at June 30, 2023, the Company had a cash balance of $25,232 (December 31, 2022 - $269,206) to settle current liabilities of $839,395 (December 31, 2022 - $646,691). Accordingly, the Company is exposed to liquidity risk.

CAPITAL DISCLOSURES

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations and the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

The Company invests all capital that is surplus to its immediate operational needs in either Canadian dollars, US dollars or Swiss francs in various bank accounts. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

Key management includes the personnel having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board and corporate officers.

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

During the three and six months ended June 30, 2023, Creade GmbH, a company controlled by Mr. Perroulaz (Chairman, Former Chief Executive Officer, and Director), issued a credit note for services provided of $15,000 and provided consulting services of $30,000, respectively (2022 - $45,000 and $90,000, respectively). During the three and six months ended June 30, 2023, there were 533,333 options cancelled due to the resignation of Mr. Perroulaz. The Company recorded share-based compensation of $20,574 and $28,271 (2022 - $15,647 and $31,208, respectively) related to the accelerated vesting of these stock options and remaining RSUs granted to Mr. Perroulaz and settled amounts due to Mr. Perroulaz of $34,500 through the issuance of 669,231 common shares. As at June 30, 2023, $30,000 (December 31, 2022 - $34,500) was due to Creade GmbH and included in accounts payable and accrued liabilities. The balance is unsecured, due on demand and is non-interest bearing.

During the three and six months ended June 30, 2023, Core Financial Management Limited, a company controlled by Mr. O'Neill, a director of the Company, provided consulting services of $nil and $30,000, respectively (2022 - $30,000 and $60,000, respectively). During the three and six months ended June 30, 2023, the Company recorded share-based compensation of $15,432 and $21,204 (2022 - $11,736 and $23,405, respectively) related to the accelerated vesting of stock options and RSUs granted to Mr. O'Neill and settled amounts due to Mr. O'Neill of $23,000 through the issuance of 446,154 common shares. As at June 30, 2023, $30,000 (December 31, 2022 - $30,510) was due to Core Financial Management Limited and included in accounts payable and accrued liabilities. The balance is unsecured, due on demand and is non-interest bearing.

During the three and six months ended June 30, 2023, the Company's Chief Executive Officer, Mr. Bateman, provided consulting services of $30,000 and $60,000 (2022 - $nil and $nil, respectively). During the three and six months ended June 30, 2023, the Company granted 333,333 stock options and 166,667 RSUs to Mr. Bateman and recorded share-based compensation of $6,196 and $6,196 (2022 - $nil and $nil) related to these stock options and RSUs. As at June 30, 2023, $10,500 (December 31, 2022 - $10,000) was due to the Mr. Bateman and included in accounts payable and accrued liabilities. The balance is unsecured, due on demand and is non-interest bearing.

During the three and six months ended June 30, 2023, the total advances made to entities with common directors increased to $112,816 (CHF 76,315), (December 31, 2022 - $65,781 (CHF 44,868)). As at June 30, 2023, the advances remained receivable and were presented in due from related party on the statement of financial position. The advances are unsecured, due on demand and are non-interest bearing with no specified terms of repayment.

A summary of the Company's related party transactions in profit or loss is as follows:

	Q2 2023	Q2 2022	**YTD 2023**	YTD 2022
	$	$	$	$
Consulting fees	**15,000**	75,000	**120,000**	150,000
Share-based compensation	**42,202**	27,383	**55,671**	54,613
	57,202	102,383	**175,671**	204,613

A summary of the Company's amounts due to and from key management personnel is as follows:

	June 30, 2023	December 31, 2022
	$	$
Due from related party	**112,816**	65,781
Accounts payable and accrued liabilities	**(70,500)**	(75,010)
	42,316	(9,229)

Accounts payable and accrued liabilities as at June 30, 2023 totalling $70,500 (December 31, 2022 - $75,010) were owed to certain officers. Interest is not charged on outstanding balances and there are no specified terms of repayment.

The amounts owing are non-interest bearing, unsecured and have no fixed terms of repayment.

OUTSTANDING SECURITIES DATA

A summary of the Company's outstanding securities is as follows:

	Date of MD&A	June 30, 2023
	$	$
Common shares	96,758,256	94,558,256
Stock options	2,133,711	2,133,711
Non-vested restricted share units	910,222	910,222

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of these MD&A, the Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instrument classification

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in the valuation techniques used to measure fair value as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company's cash and digital assets are measured at level 1. The Company's investments are measured at level 3.

The carrying value of amounts receivable, due from related parties and accounts payable and accrued liabilities are approximate their respective fair values because of their short-term nature.

The Company's financial instruments consist of cash, amounts receivable (excluding GST and VAT receivable), due from related party, investments and accounts payable and accrued liabilities. The Company classifies its cash at fair value through profit or loss, amounts receivable (excluding GST and VAT receivable) and due from related party at amortized cost and investments as fair value through other comprehensive income. The Company's accounts payable and accrued liabilities are classified at amortized cost.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. The Company's cash, amounts receivable, and due from related parties, are exposed to credit risk. The Company limits its credit risk by placing its cash with high credit quality financial institutions.

As at June 30, 2023, the Company held $25,232 (December 31, 2022 - $269,206) in cash, and $nil (December 31, 2022 - $26,274) in investments held for trading with an investment broker.

The Company's credit risk is predominantly related to cash balances held in financial institutions, amounts receivable and due from related party. The maximum exposure to credit risk is equal to the carrying value of such financial assets. As at June 30, 2023, the Company expects to recover the full amount of such assets.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. As a result, accounts payable and accrued liabilities exposed the Company to liquidity risk. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required.

As at June 30, 2023, the Company's cash balance of $25,232 (December 31, 2022 - $269,206) will not be sufficient to meet its obligations related to its accounts payable and accrued liabilities balance of $839,395 (December 31, 2022 - $646,691). Therefore, the Company is exposed to liquidity risk and will be required to raise additional capital in the future to fund its operations.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns.

d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's liabilities are non-interest bearing and therefore, interest rate risk is not considered significant.

e) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in CHF and USD.

A summary of the Company's carrying amounts of the foreign currency denominated monetary assets (liabilities) is as follows:

	June 30, 2023	December 31, 2022
	$	$
Cash	**15,254**	145,365
Investments held for trading	**-**	23,972
Digital assets	**47,904**	259,755
Non-current portion of digital assets	**66,952**	81,444
Accounts payable and accrued liabilities	**-**	(688)
	130,110	509,848

The Company has not entered any foreign currency contracts to mitigate this risk. A 5% shift in exchange rates would result in a foreign exchange gain or loss of approximately $14,300.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements for the three and six months ended June 30, 2023 and 2022 have been prepared in accordance with IFRS as issued by the IASB. The Company's significant accounting policies are described in the financial statements.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The accounting estimates, judgements and assumptions used in the preparation of the financial statements are consistent with those applied and disclosed in the annual audited consolidated financial statements for the years ended December 31, 2022 and 2021.

RISKS AND UNCERTAINTIES

Due to the high growth of, and maturing marketplace around, blockchain technologies and digital asset markets in general, and the nature of the Company's proposed business plan, the Company is subject to many risks that may affect future operations over which the Company has little control.

For a detailed listing of the risks and uncertainties faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2022 and 2021.

CONTINGENT LIABILITIES

The Company has no contingent liabilities as at June 30, 2023 or at the date of this MD&A.

PROPOSED TRANSACTION

The Company has no undisclosed proposed transactions as at June 30, 2023 or at the date of this MD&A

SUBSEQUENT EVENTS

On July 5, 2023, the Company completed a non-brokered unit private placement of 2,200,000 units at $0.025 per unit for gross proceeds of $55,000. Each unit comprises one common share and one-half warrant, each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.18 for a period of 24 months.

On July 5, 2023, the Company completed a non-brokered private placement of convertible debentures for gross proceeds of $220,000. The convertible debentures are unsecured, bear interest at 7.5% per annum, payable semi-annually and mature 3 years after the date of issue on July 5, 2026 ("Maturity date"). Each convertible debenture is convertible into common shares at a price of $0.18 per share during the period of 18 months after the date of issue and $0.24 per share afterwards until the Maturity Date.

On July 31, 2023, the Company and Troon Technologies ("Troon") entered into an agreement for the acquisition of Troon. Pursuant to the agreement, the Company will acquire 10% of the outstanding shares of Troon at the aggregate price of US$350,000 or in the form of common shares of the Company's. Following the initial acquisition, the Company commits to purchasing the remaining 90% of Troon's outstanding shares over the period of 3 years with 30% by July 31, 2024, 30% by July 31, 2025 and 30% by July 31, 2026. The pricing for each tranche of the additional share acquisition will be determined based on the effective growth rate of the ongoing business developed by Troon, with a minimum growth rate of 20% per year.