BLOCKMINT

BLOCKMINT TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

Introduction

The following Management's Discussion & Analysis ("MD&A") of the financial condition and results of the operations of BlockMint Technologies Inc. (the "Company" or "BlockMint") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2021. This MD&A has been prepared in compliance with the requirements of National Instrument 51- 102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2021 and 2020, together with the notes thereto. **Results are reported in United States dollars, unless otherwise noted.** In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended December 31, 2021 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at May 2, 2022 unless otherwise indicated.

The consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

For the purposes of preparing this MD&A, management, in conjunction with the Audit Committee of the Board of Directors, 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 BlockMint's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Audit Committee of the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Specifically, the following forward-looking statements are based on the corresponding assumptions, and are subject to the noted risk factors:

Forward-looking statements	Assumptions	Risk factors
The Company's cash balance at December 31, 2021, is sufficient to fund its consolidated operating expenses at current levels. At the date hereof, the Company's consolidated cash balance has diminished as a result of normal business operations and management is attempting to reduce payments to the extent practical.	The development and operating activities of the Company for the twelve-month period ending December 31, 2022, and the costs associated therewith, will be consistent with the Company's current expectations; and the debt and equity markets, exchange and interest rates and other applicable economic conditions do not materially change.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; government regulation, cryptocurrency price fluctuations; interest rate and exchange rate fluctuations; changes in economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond BlockMint's ability to predict or control. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Readers should refer to those risk factors referenced in the "Risks and Uncertainties" section below.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause BlockMint's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company's subsidiaries, BlockMint (Canada) Technologies Inc. (formerly BlockMint Technologies Inc.) ("BlockMint-Canada"), and its wholly owned subsidiary, BlockMint (USA) Technologies Inc. ("BlockMint-USA") are in the business of 1) developing distributed systems and networks that enable a more decentralized deployment of blockchain based applications such as cryptocurrency mining, and 2) operating Company owned Bitcoin cryptocurrency mining hardware.

The Company's objective is to develop distributed systems and networks that enable a more decentralized deployment of blockchain based applications. One such application is cryptocurrency mining, which relies on a decentralized blockchain network. The Company developed the Minter browser - a secure and private browser where any person can mine cryptocurrency as they browse the web. In addition to being a web browser, Minter has additional integrated features, such as a virtual private network (VPN) and an ad-blocker.

The Minter browser was initially released in 2019, but was updated in 2021 and re-released in February 2021 and May 2021. It is available for download at the website getminter.com.

In October 2021, the Company acquired 50 new S19 Antminers. The machines were installed at a third party hosting facility in Washington State, which is powered by clean, low cost hydro-sourced power, and the Company commenced mining Bitcoin in December 2021. The Company signed an 18-month lease at the facility.

Outlook and Overall Performance

Corporate

Business Development

Minter is a unique web browser where users can mine cryptocurrency while they browse the internet with privacy, speed and security. Minter features include a virtual private network (VPN) and ad blocker. In February 2021, the Company released an updated Minter browser with a new feature which allows users to earn carbon credits to offset their carbon footprint. In May 2021, the Company released another update of the Minter browser which allows users to mine cryptocurrencies to earn either: (i) carbon credits; or (ii) fractional ownership in an non-fungible token (NFT).

In January 2021, the Company closed a private placement for gross proceeds of C$1,000,000 ($787,300) by issuing 3,846,154 common shares at a price of C$0.26 per share. In connection with the private placement, the Company issued an aggregate of 127,383 finder's shares to certain brokerage firms for introducing subscribers to the Company.

In February 2021, the Company announced the granting of incentive stock options to certain of its directors, officers and consultants to purchase up to an aggregate of 1,250,000 common shares in the capital of the Company, exercisable at a price of C$0.40 per share for a period of five (5) years expiring February 11, 2026. These options vested immediately.

In June 2021, the Company announced that it had signed an agreement to acquire a facility for cryptocurrency mining located in Manitoba, Canada which would be powered by clean, sustainable and low-cost hydropower. In August 2021, the Company elected to terminate the agreement due to the Vendor's inability to satisfy the conditions for closing.

In December 2021, the Company commenced mining Bitcoin with 50 newly acquired S19 Antminers at a third party hosting facility in Washington State

Financial highlights

The Company had minimal revenue, so its ability to ensure continuing operations is dependent on either expanding its business, or raising additional debt or equity financing.

For the year ended December 31, 2021, the Company recorded digital currency mined of $33,627, and had a net loss of $1,126,373, which consisted primarily of (i) consulting fees of $383,963; (ii) share-based payments of $355,100; (iii) director, management fees and salaries of $155,640; and (iv) business development and promotion of $145,912 attribute mostly to the lost Manitoba opportunity.

At December 31, 2021, the Company had a net working capital of $1,925,263 (December 31, 2020 – $2,543,528). The Company had cash of $2,032,371 (December 31, 2020 - $2,600,962). Working capital and cash decreased during the twelve months ended December 31, 2021 due to cash used in operating activities of $800,085, and cash used in investment activities of $537,654. The Company had cash provided by financing activities of $769,148,

Description of Business

As described above, the Company develops distributed systems and networks that enable a more decentralized deployment of blockchain based applications such as cryptocurrency mining. Development and release of software products were suspended due to the price and volatility of cryptocurrencies in 2020. In February 2021, the Company released its upgraded, distributed crypto-miner "Minter" and introduced a new feature to the Minter browser which allows users to earn carbon credits to offset their carbon footprint. In May 2021, the Company re-released the Minter browser with a new feature which enabled users to also be able to earn fractional ownership in an NFT.

A NFT is a unit of data on a blockchain where each NFT can represent a unique digital item and thus they are not interchangeable. NFTs can represent digital files such as art, audio, video and other forms of creative work. BlockMint has created and acquired NFTs for its portfolio.

In addition to activities related to Minter, in December 2021, the Company commenced mining Bitcoin.

Minter Browser

BlockMint developed software that allows owners of desktops and laptops to download a browser that allows the Company to utilize the owner's spare computing power to mine cryptocurrencies in exchange for users to earn either: (i) carbon credits to offset their carbon footprint; or (ii) fractional ownership in an NFT. The browser application is called "Minter."

The browser has a user-friendly, built-in dashboard where a user can control the amount (if any) of computing power on his/her computer that will be used for mining. Users bear all mining costs associated with the computing power on their device (electricity costs of operating the user's device) but benefit from earning either carbon credits or fractional ownership in an NFT based on the amount of cryptocurrencies mined.

The Minter browser also provides a virtual private network (VPN) and ad-blocker. Online privacy is a growing concern which is why many are turning to VPNs to protect their identities while browsing. Minter makes it easy to browse safely and in total anonymity. It is estimated that approximately 25% of internet users use a VPN, which typically costs around US$10 per month.

The upgraded version of Minter has been launched for use on desktops and laptops with a Windows operating system.

Bitcoin Mining

In October 2021, the Company acquired 50 new S19 Antminers. The machines were installed at a third party hosting facility in Washington State, which is powered by clean, low cost hydro-sourced power, and the Company commenced mining Bitcoin in December 2021. Since the start of mining operations, approximately 2.76 Bitcoins have been mined, equivalent to $110,490 based on a Bitcoin price of $40,000. For the most recent three month period (i.e. January 1st – March 31st 2022), the amount mined was approximately 2.07 Bitcoins.

Trends

Prices of cryptocurrencies have been extremely volatile since BlockMint-USA first started operations. Specifically, the price of Monero, the cryptocurrency identified by BlockMint-USA to be central to its software products. Consequently, the market for the Company's products has been impacted by this volatility, and the demand for the Company's products is uncertain.

There has been an increase in the prices of several cryptocurrencies since May 2021, which has led to an increased interest in cryptocurrencies and blockchain technologies. As a result, in December 2020, the Company decided to release an updated version of its initial product, the Minter browser, and purchase new S19 Antminers that commenced the mining of bitcoin ("BTC.) in December 2021.

For the graph below Bitcoin is red and Monero is yellow

The most recent trend in global economic activity has been the slow-down caused by the COVID 19 pandemic. The impact of this unprecedented event on the future trading price of cryptocurrencies is unclear, however one possible scenario is that people will turn to cryptocurrencies instead of fiat currencies given the world governments' trend toward printing vast amounts of cash to offset the economic slow-down caused by the virus. The Company can offer no assurance that the price of cryptocurrencies will increase as a result of the pandemic.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risks and Uncertainties" below.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

The Company routinely evaluates various business opportunities which could entail direct acquisitions, trades and/or divestitures. In this regard, the Company is currently in discussions with various parties, but no definitive agreements with respect to any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

Selected Annual Information

The following is selected financial data derived from the audited financial statements of the Company at and for the years ended December 31, 2021, 2020 and 2019.

	Year ended December 31, 2021 $	Year ended December 31, 2020 $	Year ended December 31, 2019 $
Revenue	33,627	Nil	Nil
Net loss	1,126,373	425,833	4,149,064
Basic and diluted loss	0.02	0.01	0.10
	As at December 31, 2021 $	**As at December 31, 2020 $**	**As at December 31, 2019 $**
Total assets	2,760,488	2,605,417	2,986,748
Total liabilities	211,277	61,889	24,397

- The net loss of $1,126,373 for the year ended December 31, 2021, consisted primarily of (i) consulting fees of $383,963; (ii) share-based payments of $355,100; (iii) director, management fees and salaries of $155,640; and (iv) business development and promotion of $145,912.
- The net loss of $425,833 for the year ended December 31, 2020, consisted primarily of: (i) consulting fees of $211,675; (ii) management fees and salaries of $100,275; and (iii) professional fees of $37,670.
- The net loss of $4,149,064 for the year ended December 31, 2019, consisted primarily of: (i) transaction costs associated with BlockMint's change of business and listing on the TSXV of $3,458,766; (ii) consulting fees of $221,403; (iii) management fees and salaries of $207,272; and (iv) office and miscellaneous expenses of $108,967.

Summary of Quarterly Information

A summary of selected financial information of the Company for each of the eight most recently completed quarters is as follows:

Three Months Ended	Total Revenue ($)	Loss (Income) Total ($)	Loss (Income) Per Share ($)(1)	Total Assets ($)
December 31, 2021	33,627	124,911	0.00	2,760,488
September 30, 2021	Nil	218,613	0.00	2,712,388
June 30, 2021	Nil	780,962	0.02	2,966,586
March 31, 2021	Nil	549,373	0.01	3,238,201
December 31, 2020	Nil	96,493	0.00	2,605,417
September 30, 2020	Nil	136,654	0.00	2,662,493
June 30, 2020	Nil	137,302	0.00	2,777,183
March 31, 2020	Nil	55,384	0.00	2,911,084

(1) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Discussion of Operations

Three months ended December 31, 2021 compared with three months ended December 31, 2020

For the three months ended December 31, 2021, BlockMint's net loss was $124,911 with basic and diluted loss per share of $0.00. This compares with a net loss of $96,493 with basic and diluted loss per share of $0.00 or the three months ended December 31, 2020. The increase in net loss was principally because:

- For the three months ended December 31, 2021, the Company recorded revenue from digital currency mined of $33,627 (December 31, 2020 - $nil) and depreciation of $29,127 (December 31, 2020 - $nil);

- For the three months ended December 31, 2021, consulting fees increased due to an increase in fees as the Company searched for opportunities to expand mining capabilities.

Year ended December 31, 2021 compared with year ended December 31, 2020

For the year ended December 31, 2021, BlockMint's net loss was $1,126,373 with basic and diluted loss per share of $0.02. This compares with a net loss of $425,833 with basic and diluted loss per share of $0.01 for the year ended December 31, 2020. The increase in net loss was principally because:

- For the year ended December 31, 2021, the Company recorded revenue from digital currency mined of $33,627 (December 31, 2020 - $nil) and depreciation of $29,127 (December 31, 2020 - $nil).

- For the year ended December 31, 2021, consulting fees and business development expenses increased due to an increase in fees as the Company searched for various opportunities to expand mining capabilities.

- For the year ended December 31, 2021, the Company recorded a share-based compensation of $355,100 (December 2020 - $nil) for the vesting of 1,250,000 options granted to directors, officers and consultants.

Cash Flow

The Company had cash of $2,032,371 at December 31, 2021 (December 31, 2020 - $2,600,962). The change in cash during the year ended December 31, 2021 was primarily due to the cash used in operating and investing activities, offset by cash raised through financing activities from the issuance of common shares.

Cash used in operating activities was $800,085, for the year ended December 31, 2021. Operating activities were affected by net loss of $1,126,373 and net changes in non-cash working capital balances due to an increase in receivables and prepaid expenses of $16,535; digital currency of $33,627, and a decrease in accounts payable and accrued liabilities of $11,342. The Company also recorded non-cash adjustment for share-based payment of $355,100 and depreciation of $29,127. For the year ended December 31, 2020, cash used in operating activities was $363,206. Operating activities were affected by a net loss of $425,833 and the net decrease in non-cash, working capital balances due to a decrease in receivables and prepaid expenses of $7,102; and an increase in accounts payable and accrued liabilities of $37,492. The Company also recorded revaluation in digital currency of $533.

Net cash used by investing activities was $537,654 during the year ended December 31, 2021 as the Company purchased 50 new S19 Antminers and commenced the mining of Bitcoin. Net cash provided by investing activities was $nil during the year ended December 31, 2020.

Net cash provided by financing activities was $776,956 during the year ended December 31, 2021 as the Company closed a non-brokered private placement and issued an aggregate of 3,846,154 common shares at a price of CDN$0.26 per common share to raise aggregate gross proceeds of CDN$1,000,000 ($782,800).

Liquidity and Capital Resources

The Company's activities have been financed through the completion of equity offerings. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

The Company has minimal revenues, and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and other financing transactions to maintain its capacity to meet ongoing operating activities. As of December 31, 2021, the Company had 1,250,000 stock options outstanding that would raise approximately $390,000, and 6,650,000 warrants outstanding that would raise approximately $250,000, if exercised in full; however all of the warrants are subject to the Company meeting certain revenue thresholds so it is not anticipated that they will become exercisable in the next twelve months.

At December 31, 2021, the Company reported cash of $2,032,371 (December 31, 2020 - $2,600,962) and a net working capital of $1,925,263 (December 31, 2020 - $2,543,528). The net cash on hand as at December 31, 2021, is expected to be sufficient to meet the Company's liquidity requirements in 2022. Currently, the Company's operating expenses are approximately $50,000 to $65,000 per month for leasing fees, management fees, month-to-month professional fees, listing expenses and other working expenses. The Company's cash as at December 31, 2021 is expected to be sufficient to satisfy current liabilities and general and administrative costs up to December 31, 2022.

In January 2021, the Company closed a private placement for gross proceeds of C$1,000,000 ($782,800) in support of the relaunch of Minter and possible acquisition of in-house hardware to mine cryptocurrency.

Accounting Pronouncements

Changes in accounting policy

There are no other relevant IFRS's or IFRS interpretations that are not yet effective that would be expected to have a material impact on the consolidated financial statements of the Company.

Critical accounting estimates and judgments

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and the disclosure of contingent assets and contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or events arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Functional currency
The determination of the Company's functional currency is a key judgment based on the primary economic environment in which each entity of the Company operates. In determining the functional currency, management considers the currency that most faithfully represents the economic effects of events, conditions, future direction and investment opportunities.

Revenue recognition
There is currently no specific definitive guidance in IFRS for the accounting for the production and mining of digital assets, and therefore management has exercised significant judgment in determining appropriate accounting treatment for the recognition of revenue. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and financial performance.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful life of computer and mining equipment
Management is depreciating mining equipment using a straight-line basis, with a useful life of 2 years. The mining equipment is used to generate Bitcoin. The rate at which the Company generates digital assets and, therefore, consumes the economic benefits of its mining equipment are influenced by several factors including, but not limited to, the following:

- The complexity of the mining process which is driven by the algorithms contained within the digital assets open-source software; and
- Technological obsolescence reflecting rapid development in the mining machines such that more recently developed hardware is more economically efficient to run in terms of digital assets mined as a function of operating costs, primarily power costs (i.e., the speed of mining machines evolution in the industry) is such that later mining machine models generally have faster processing capacity combined with lower operating costs and a lower cost of purchase.

Based on the Company and the industry's limited history to date, management is limited by the market data available. Furthermore, the data available also includes data derived from the use of economic modelling to forecast future digital assets and the assumptions included in such forecasts, including digital asset's price and network difficulty, and derived from management's assumptions which are inherently judgmental. Based on current data available, management has determined that the straight-line method of depreciation best reflects the current expected useful life of mining equipment. Management will review their estimates at each reporting date and will revise such estimates as and when data become available. Management will review the appropriateness of its assumption related to residual value at each reporting date.

Share-based payments and non-monetary transactions
Estimating fair value for share based payments and granted stock options and warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the issuance. These estimates also require determining the most appropriate inputs to the valuation model, including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Capital Risk Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and financial markets in general. The Company may manage its capital structure by issuing new shares, debt financing or adjusting spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital structure to consist of equity, which at December 31, 2021 totaled $2,549,211 (December 31, 2020 - $2,543,528). The Company reviews its working capital and forecasts its future cash flows based on operating expenditures and investing and financing activities.

Financial Risk Management

Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- Level 1 – Value based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques based on inputs other than quoted prices that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Valuation techniques using inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Liquidity Risk
- Credit Risk

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of four types of risk: currency risk, interest rate risk, crypto-currency risk and other price risk. It is management's opinion that the Company is not exposed to significant other price risk.

Currency risk
As at December 31, 2021, a portion of the Company's financial assets are held in Canadian dollars (CAD). The Company's objective in managing its currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in USD. The Company does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not significant at this point in time. The following CAD amounts are presented in USD to demonstrate the effect on profit or loss of changes in foreign exchange rates:

	December 31, 2021	December 31, 2020
Cash held in CAD	$828,413	258,196
Cash value in USD	$653,452	202,787
Accounts receivable and other receivables in CAD	$11,714	4,399
Accounts receivable and other receivables in USD	$9,240	3,455
Accounts payable and accruals in CAD	($12,836)	(49,281)
Accounts payable and accruals in USD	($10,125)	(38,705)
Effect of +/- 10% change in exchange rate	64,333	16,408

Interest rate risk
Interest rate risk is the risk that fair values or future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any interest bearing borrowings. Interest rate risk is limited to

potential decreases on the interest rate offered on cash held with chartered financial institutions. Sensitivity to a plus or minus 1% change in the interest rates would have no significant impact on profit or loss.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company's objective is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due without incurring significant losses or risking damage to the Company's reputation. Managing liquidity is affected by the degree of certainty in cash flow projections.

At December 31, 2021, the Company had a cash balance of $2,032,371 and current liabilities of $128,455. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company commencing profitable operations and / or raising additional equity in excess of anticipated cash needs.

The following is a summary of the Company's material contractual obligations (representing undiscounted contractual cash flows):

	Due within				
	1 year	2 Years	3 Years	Over 4 Years	Total
Accounts payable and accrued liabilities	$50,547	$Nil	$Nil	$Nil	$50,547
Lease liability	$129,000	$53,750	$Nil	$Nil	$182,750

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Concentration of credit risk exists with respect to the Company's cash as substantially the entire amount is held at one major financial institution. Credit risk on cash is minimized by depositing with only reputable financial institutions

Share Capital

As of the date of this MD&A, the Company had 48,242,605 issued and outstanding common shares.

Warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
6,650,000	February 1, 2023	CDN $0.05

Options outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
1,250,000	February 11, 2026	CDN $0.40

Related Party Transactions

Related parties include the Board of Directors and officers of the Company, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount established and agreed to by the related parties.

(a) The Company entered into the following transactions with related parties:

	Year Ended December 31,	
Names	**2021 ($)**	**2020 ($)**
Owen Bird Law Corporation (1)	15,331	3,570
Bayswater Consulting Ltd. (Bayswater) (2)	9,571	8,924
Marrelli Support Services Inc. ("Marrelli Support") (3)	41,265	42,340

1) For the year ended December 31, 2021, the Company expensed $15,331, (year ended December 31, 2020 - $3,570) for legal services to Owen Bird Law Corporation, a legal firm of which Jeff Lightfoot, a director, is a shareholder. As at December 31, 2021, $8,587 (December 31, 2020 - $1,472) was payable to this party and the amount is included in accounts payable and accrued liabilities.

2) For the year ended December 31, 2021, the Company expensed $9,571(year ended December 31, 2020 - $8,924) to a private company controlled by Erin Walmesley, the Company's corporate secretary, for corporate services.

3) For the year ended December 31, 2021, the Company expensed $41,265, (year ended December 31, 2020 - $42,340) to Marrelli Support Services Inc. ("Marrelli") for: Victor Hugo to act as the Chief Financial Officer of the Company; and for bookkeeping services. Victor Hugo is an employee of Marrelli. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at December 31, 2021, Marrelli was owed $7,383 (December 31, 2020 - $9,722), and the amount is included in accounts payable and accrued liabilities.

(b) Remuneration of directors and key management personnel, other than consulting and professional fees, of the Company was as follows:

	Salaries and wages		Share-based payments		Total	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
Name	**2021 ($)**	**2020 ($)**	**2021 ($)**	**2020 ($)**	**2021 ($)**	**2020 ($)**
Nelson Ijih, CEO / CIO	120,000	36,000	Nil	Nil	120,000	36,000
Daniel Beck, former COO	6,000	36,000	Nil	Nil	6,000	36,000
Jeff Lightfoot, Director	9,880	9,425	42,612	Nil	52,492	9,425
David Patterson, Director	9,880	9,425	42,612	Nil	52,492	9,425
Colin Watt, Director	9,880	9,425	42,612	Nil	52,492	9,425
Erin Walmesley, Corporate Secretary	Nil	Nil	21,306	Nil	21,306	Nil
Victor Hugo, CFO	Nil	Nil	21,306	Nil	21,306	Nil
Total	**125,640**	**100,275**	**170,448**	**Nil**	**326,088**	**100,275**

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Filing Statement of December 28, 2018, available on SEDAR at **www.sedar.com**.

<u>There are risks to the Bitcoin networks</u>

The open-source structure of the Bitcoin and any other crypto assets' network protocol means that the core developers of the networks and other contributors are generally not directly compensated for their contributions in maintaining and developing the network protocol. A failure to properly monitor and upgrade any of the network protocols could damage the network. In addition, the governance behind such networks is generally considered to be decentralized (meaning, not within the control of centralized parties) and any governance failures may also cause damage to the network.

<u>The Company's crypto asset inventory may be exposed to cybersecurity threats and hacks</u>

As with any other computer code, flaws in the crypto assets' source codes and keys have been exposed by certain malicious actors. Several errors and defects have been found and corrected, including those that disabled some functionality for users and exposed users' information. Although discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money have historically occurred somewhat regularly, more recently, they have been becoming relatively rarer.

There is a risk that some or all of the Company's coins could be lost or stolen. Access to the Company's coins could also be restricted by cybercrime (such as a denial of service ("DDoS") attack) against a service at which the Company maintains a hosted online wallet. Any of these events may adversely affect the operations of the Company and, consequently, its investments and profitability.

The loss or destruction of a private key required to access the Company's digital wallets may be irreversible. The Company's loss of access to its private keys or its experience of a data loss relating to the Company's digital wallets could adversely affect its investments.

Compared with traditional and existing centralized financial systems, the financial system of crypto assets is relatively new and has only limited history. Online crypto asset exchanges and trades therein operate with comparatively little regulation and are particularly liable to platform failures and fraudulent activities, which may have an effect on underlying prices of crypto assets. In fact, many of the largest online crypto asset exchanges have been compromised by hackers. Furthermore, in certain decentralized protocols, it may be difficult or impossible to verify the identity of a transaction counterparty necessary to comply with any applicable anti-money laundering, countering the financing of terrorism, or sanctions regulations or controls.

Regulatory changes or actions may alter the nature of an investment in the Company or restrict the business of the Company and the use of crypto assets in a manner that adversely affects the Company's operations

As crypto assets have grown in both popularity and market size, governments around the world have reacted differently to crypto assets with certain governments deeming them illegal, while others have allowed their use and trade (with or without additional regulatory requirements). On-going and future regulatory actions or requirements may alter, perhaps to a materially adverse extent, the ability of the Company to continue to operate.

The effect of any future regulatory change on the Company or any crypto assets that the Company may mine is impossible to predict, but such change could be substantial and adverse to the Company.

Governments may in the future curtail or outlaw the acquisition, use or redemption of crypto assets or the activity of mining crypto assets. Ownership of, holding, mining or trading in crypto assets may also be considered illegal and subject to sanction, or subject to heightened regulatory requirements. Governments may in the future take regulatory actions that may increase the cost and/or subject crypto asset companies (including mining companies, such as the Company) to additional regulation, or prohibit or severely restrict the right to acquire, own, hold, sell, mine, use or trade crypto assets or to exchange crypto assets for fiat currency. By extension, similar actions by governments, may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the common shares of the Company. Such a restriction could result in the Company liquidating its Bitcoin or other crypto asset inventory at unfavorable prices and may adversely affect the Company's shareholders.

The value of crypto assets may be subject to volatility and momentum pricing risk

Digital asset prices are highly volatile, can fluctuate substantially and are affected by numerous factors beyond the Company's control. Various forces including global supply and demand, interest rates, exchange rates, inflation or deflation, and global political, regulatory and economic conditions affect crypto assets. The profitability of the Company is directly related to the current and future market price of crypto currencies; in addition, the Company may not be able to liquidate its inventory of digital assets at its desired price if required.

A rapid decline in the market price for Bitcoin or any other crypto assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of Bitcoin. Bitcoin have a limited history and the fair value historically has been volatile. Historical performance of Bitcoin is not indicative of its future price performance.

Crypto assets' market prices are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of crypto assets, inflating and making their market prices more volatile. As a result, they may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of the Company's crypto asset inventory and thereby affect the Company's shareholders.

If crypto assets' prices should decline and remain at low market levels for a sustained period while network difficulty does not decrease proportionally, the Company could determine that it is not economically feasible to continue activities.

To the extent that other vehicles investing in coins or tracking crypto asset markets form and come to represent a significant proportion of the demand for coins, large redemptions of the securities of those vehicles and the subsequent sale of coins by such vehicles could negatively affect crypto asset prices and therefore affect the value of the inventory held by the Company.

<u>There is risk to Bitcoin halving</u>

The current global Bitcoin network rewards miners 6.25 Bitcoin per block, which is approximately 900 Bitcoin per day. The next halving is expected to occur at some point in the year 2024. This halving may have a potential impact on the Company's profitability at the reward level of 3.125 coins. Based on the fundamentals of Bitcoin mining and historical data on Bitcoin prices and the network difficulty rate after a halving event, it is unlikely that the network difficulty rate and price would remain at the current level when the Bitcoin rewards per block are halved. The Company believes that although the halving would reduce the block reward by 50%, other market factors such as the network difficulty rate, mining fees and the price of Bitcoin would change to offset the impact of the halving sufficiently for the Company to maintain profitability. Nevertheless, there is a risk that a future halving will render the Company unprofitable and unable to continue as a going concern.

<u>Crypto asset trading platforms are relatively new and under heightened regulatory scrutiny and may be exposed to regulatory risk, fraud and failure</u>

To the extent that crypto asset trading platforms (often referred to as "crypto asset exchanges") are involved in fraud, are subject to enforcement prosecution for failure to adhere to regulatory requirements, or experience security failures or other operational issues, this could result in a reduction in prices of crypto assets.

Crypto assets' market prices depend, directly or indirectly, on the prices set on these platforms and other venues, which are new and under heightened regulatory scrutiny. During the past three years, a number of crypto asset trading platforms have been closed or the subject of prosecution due to fraud, the failure to adhere to regulatory requirements, business failure or security breaches. In many of these instances, the customers of these closed platforms are not compensated or made whole for the partial or complete losses of their account balances. While smaller platforms are less likely to have the infrastructure and capitalization that provide larger platforms with additional stability, larger platforms may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action. Such actions may adversely affect the Company, not only due to its effect on the price of various crypto assets, but because the Company's crypto assets may be custodied at various crypto platforms or venues from time to time.

Malicious actors or botnet obtaining control of more than 50% of the processing power on the Bitcoin Network

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining on the Bitcoin Network, it may be able to alter the Blockchain on which the Bitcoin Network and most Bitcoin transactions rely by constructing fraudulent blocks or preventing certain transactions from completing in a timely manner, or at all. The malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new Bitcoins or transactions using such control. The malicious actor could "double-spend" its own Bitcoins (i.e., spend the same Bitcoins in more than one transaction) and prevent the confirmation of other users' transactions for so long as it maintains control. To the extent that such malicious actor or botnet did not yield its control of the processing power on the Bitcoin Network or the Bitcoin community did not reject the fraudulent blocks as malicious, reversing any changes made to the Blockchain may not be possible. Although there are no known reports of malicious activity or control of the Blockchain achieved through controlling over 50% of the processing power on the network, it is believed that certain mining pools may have exceeded the 50% threshold. The possible crossing of the 50% threshold indicates a greater risk that a single mining pool could exert authority over the validation of Bitcoin transactions. To the extent that the Bitcoin ecosystem, including developers and administrators of mining pools, do not act to ensure greater decentralization of Bitcoin mining processing power, the feasibility of a malicious actor obtaining control of the processing power on the Bitcoin Network will increase, which may adversely affect an investment in the Company.

The Company may be adversely impacted if there is a failure in the internal control systems, policies, and/or procedures of the Company or others

Internal controls over the safeguarding of cryptographic keys relating to digital wallets are procedures that are designed to provide reasonable assurance that transactions involving crypto assets are properly authorized, crypto assets are appropriately safeguarded including against unauthorized or improper use, and transactions are properly recorded and reported. As part of its mining operation, the Company publishes the public key information relating to various digital wallets that it uses (including to receive crypto assets as rewards), but it must safeguard the private keys relating to such digital wallets (the private keys allow a user to, among other things, access and transfer the applicable crypto assets). The failure to properly safeguard the private keys presents many risks, including that crypto assets may be improperly transferred. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the safe keeping of the keys, crypto assets and wallets held by the Company or on the Company's behalf (including with custodians). Any failure in the Company's internal controls or in the internal controls maintained at third parties (including custodians) who manage private keys on the Company's behalf may have a material adverse impact on the crypto assets, investments, trading strategies and profitability of the Company.

In respect of the Company's internal processes, the Chief Executive Officer of the Company handles all wallets and keys (both public and private) involved in the mining process, including with mining pools, and is involved in the transferring of any crypto assets that are received as rewards from the mining process to accounts held by the Company at a designated crypto asset trading platform. The CEO of the Company is solely involved in handling the Company's account held at the crypto asset trading platform, including to convert any crypto assets to fiat. To the extent a private key is lost, destroyed, disclosed to the wrong person or otherwise compromised or misused and no backup of the private key is accessible, the Company may be unable to access the Company's assets held in the related digital wallet and the private key and/or related crypto assets may not be capable of being recovered or restored.

Banks may not provide banking services, or may cut off banking services, to businesses that provide crypto asset-related services or that accept crypto assets as payment

A number of companies that provide Bitcoin and/or other crypto asset-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to Bitcoin and/or other crypto asset-related companies (e.g., crypto mining companies) or companies that accept crypto assets for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide crypto asset-related services have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of crypto assets as a payment system and harming public perception of crypto assets or could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of crypto assets as a payment system and the public perception of crypto assets could be damaged if banks were to close the accounts of many or of a few key businesses providing Bitcoin and/or other crypto asset-related services. This could decrease the market prices of crypto assets and adversely affect the value of the Company's crypto asset inventory.

Crypto asset network difficulty and impact of increased global computing power poses risk to the Company

Network difficulty is a measure of how difficult it is to solve the cryptographic hash that is required to validate a block of transactions and earn a crypto asset reward from mining. If the network difficulty increased at a significantly higher rate than the Company's hashrate and the price of crypto assets did not increase at the same rate as network difficulty, then the profitability of the Company's operations would be significantly affected. There can be no assurance that crypto asset prices will increase in proportion to the rate of increase of network difficulty as network difficulty is subject to volatility in growth.

The Company has economic dependence on regulated terms of service and electricity rates

The Company's operations are dependent on its ability to maintain reliable and economical sources of power to run its crypto assets' mining assets. The Company conducts mining in Washington State, which has regulated electrical power suppliers and there can be no assurance that electricity will continued to be provided to the Company or can be provided on terms which are economic for the Company's current and future operations, anticipated growth, and sustainability.

It is possible that electric utility providers in Washington State could elect to ban providing electricity to the Company's active operations and it is possible for the hydro-power provider to renege on its contractual obligations between itself and the Company's leased facility. Should this occur, it could severely impact the Company's ability to operate and possibly the Company's ability to continue in this industry space. A ban could be initiated by the hydropower provider themselves or a government could mandate that electric utility providers cannot service entities in this industry space

Bitcoin mining consumes large amounts of electrical power and as such, the Company will be dependent on its suppliers for the continual supply of power at rates that make mining operations efficient and profitable. Disruption in the power supply will have immediate financial consequences to the Company, and if prolonged, result in material losses in Bitcoin earnings, adversely impact the price of Bitcoin, and additional expenses that may be incurred to replace or rectify the power supply.

The Company is subject to political and regulatory risk

The facility leased by the Company to mine Bitcoin is located in Washington State and will be subject to changes in political conditions and regulations within such jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude could adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on price controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, electricity use and safety. For example, crypto asset mining involves considerable computing power, which is likely to increase. This computing power necessitates a high consumption of energy. Although the energy costs used by the Company are typically determined and controlled by a regulator, there is no certainty that tariffs or other regulatory costs will not be imposed, which may reduce the profitability of mining cryptographic currencies.

On-going and future regulatory changes or actions may alter the nature of an investment in the Company or restrict the use of crypto assets in a manner that adversely affects the Company's operations. The effect of any future regulatory change on the Company or any crypto assets that the Company may mine is impossible to predict, but such change could be substantial and adverse to the Company. The jurisdictions in which the Company operates may in the future curtail or outlaw, the acquisition, use, mining or redemption of crypto assets.

Further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in crypto assets is subject to a variety of factors that are difficult to evaluate

The use of crypto assets to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of crypto assets in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may adversely affect the Company's operations. A significant portion of crypto assets' demand may be attributable to speculation. The failure of retail and commercial marketplaces to adopt crypto asset payment methods may result in increased volatility and/or a reduction in market prices, either of which may adversely impact the Company's operations and profitability. The factors affecting the further development of the industry, include, but are not limited to:

- Continued worldwide growth in the adoption and use of crypto assets;
- Governmental and quasi-governmental regulation of crypto assets and their use, transfer, mining or restrictions on or regulation of access to and operation of the network or similar crypto asset systems;
- Changes in consumer demographics and public tastes and preferences;
- The maintenance and development of the open-source software protocol of the network;
- The availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- General economic conditions and the regulatory environment relating to digital assets; and
- Negative consumer sentiment and perception of Bitcoin specifically and crypto assets generally.

As relatively new products and technologies, crypto assets and their underlying networks have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of crypto assets' demand is generated by speculators and investors seeking to profit from the short-term or long-term holding of crypto assets. The relative lack of acceptance of crypto assets in the retail and commercial marketplace limits the ability of end-users to use them to pay for goods and services. A lack of expansion by crypto assets into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in their market prices, either of which could adversely impact the Company's operations, investment strategies, and profitability.

Regulatory and compliance issues with third parties (including banks)

Due to the ever-evolving developments and sentiments relating to the industry, it is possible that Canadian financial institutions, which include banks, credit unions, trust companies and merchant banks, may elect not to allow entities that are involved in this industry space to transact with them. Any such action could result in any of the Company's banking accounts to be frozen for an unspecified amount of time or closed which could have a negative effect on the Company's operating capabilities

Incorrect or fraudulent coin transactions may be irreversible

Crypto asset transactions are irrevocable and stolen or incorrectly transferred coins may be irretrievable. As a result, any incorrectly executed or fraudulent coin transactions could adversely affect the Company's investments. Incorrectly executed transactions may be the result of computer or human error, despite rigorous controls to prevent such errors.

Coin transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. In theory, crypto asset transactions may be reversible with the control or consent of a majority of processing power on the network. Once a transaction has been verified and recorded in a block that is added to the Blockchain, an incorrect transfer of a coin or a theft of coin generally will not be reversible and the Company may not be capable of seeking compensation for any such transfer or theft. Although the Company's transfers of coins will be made by the CEO, it is possible that, through computer or human error, or through theft or criminal action, the Company's coins could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts.

If the award of coins for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations.

As the number of coins awarded for solving a block in the Blockchain decreases, the incentive for miners to continue to contribute processing power to the network will transition from a set reward to transaction fees. Either the requirement from miners of higher transaction fees in exchange for recording transactions in the Blockchain or a software upgrade that automatically charges fees for all transactions may decrease demand for the relevant coins and prevent the expansion of the network to retail merchants and commercial businesses, resulting in a reduction in the price of the relevant crypto assets that could adversely impact the Company's crypto asset inventory.

In order to incentivize miners to continue to contribute processing power to the network, the network may either formally or informally transition from a set reward to transaction fees earned upon solving for a block. This transition could be accomplished either by miners independently electing to record on the blocks they solve only those transactions that include payment of a transaction fee or by the network adopting software upgrades that require the payment of a minimum transaction fee for all transactions. If transaction fees paid for the recording of transactions in the Blockchain become too high, the marketplace may be reluctant to accept network as a means of payment and existing users may be motivated to switch between crypto assets or back to fiat currency. Decreased use and demand for coins may adversely affect their value and result in a reduction in the market price of coins.

If the award of coins for solving blocks and transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. Miners ceasing operations would reduce collective processing power, which would adversely affect the confirmation process for transactions (i.e., decreasing the speed at which blocks are added to the Blockchain until the next scheduled adjustment in difficulty for block solutions) and make the network more vulnerable to a malicious actor or botnet obtaining control in excess of fifty percent of the processing power. Any reduction in confidence in the confirmation process or processing power of the network may adversely impact the Company's mining activities, inventory of coins, and future investment strategies.

Reliance on third party mining pool service providers for mining revenue payouts may adversely affect investments

The Company currently relies on mining pools that support crypto assets (Bitcoin) to receive mining rewards and fees from the network. In general, mining pools allow miners to combine their computing and processing power, which allows them to increase their chances of solving a block and getting a reward from the given blockchain network. The rewards, distributed proportionally based on the Company's contribution to the pool's overall mining power, are distributed by the pool operator. Should the pool operator or its computer system experience difficulty, including downtime due to a cyber-attack, software malfunction, fraud/misconduct or other similar issues, it will negatively impact the Company's ability to mine and receive revenue. The Company may have recourse against the mining pool operator if the proportion of the reward paid out to the Company is incorrect, other than to leave the pool. If the Company is unable to consistently obtain accurate proportionate rewards from the mining pools, the Company may experience reduced rewards for its efforts, which would have an adverse effect on the business and operations.

Lack of third party software to monitor hash power to assess the completeness of the revenue allocated from the mining pool

The Company currently uses mining pool to mine Bitcoin. These maintains an immutable record that shows block reward, your work rate and transaction fee. The Company has access to this information. However, the Company does not have third party software to monitor the hash power to help assess the completeness of the revenue allocated from the mining pool. Without the use of third party software, the Company must rely on the information provided by Slush Pool to assess the completeness of the revenue allocated from the mining pool. Such lack of third party assessment of the Company's hash power could have a material adverse effect on the ability of the Company to accurately confirm the completeness of the revenue allocated from the mining pool, which could have an adverse effect on the business, prospects or operations of the Company and potentially the value of any crypto assets the Company may mine relative to the expenses the Company expends to mine such crypto assets

Material risks and uncertainties associated with custodians of crypto assets

The Company uses third parties to custody its crypto assets. Such parties may or may not be subject to regulation by governmental agencies or other regulatory or self-regulatory organizations and may not have the appropriate registration to operate. While not currently anticipated, the Company could have a high concentration of its digital assets in one location or with one custodian, crypto asset trading platform or wallet provider, which may be prone to losses, including arising out of hacking, loss of passwords, compromised access credentials, malware, cyberattacks or fraud. Certain parties may not indemnify the Company against any losses of digital assets or may not have full insurance over the assets under custody. Digital assets held by these parties s may be transferred into "cold storage" in which case there could be a delay in retrieving such digital assets. The Company may also incur costs related to the third-party custody and storage of its digital assets. Any security breach, incurred cost or loss of digital assets associated with the use of a custodian could materially and adversely affect the Company's investment and trading strategies, the value of its assets and the value of any investment in the Company.

Risk related to technological obsolescence and difficulty in obtaining hardware

The Company intends to invest in hardware and equipment required for maintaining the Company's current mining activities. Should competitors introduce new services/software embodying new technologies, the Company recognizes its hardware and equipment and its underlying technology may become obsolete and require substantial capital to replace such equipment. There can be no assurance that mining hardware will be readily available when the need is identified. Equipment in the Company's facilities will require replacement from time to time. Shortages of graphics processing units may lead to unnecessary downtime as the Company searches for replacement equipment to ensure their facilities are running smoothly. Moreover, there can be no assurance that new and unforeseeable technology, either hardware-based or software-based, will not disrupt the existing crypto asset industry. For example, the arrival of quantum computers, which are capable of solving certain types of mathematical problems fundamental to crypto assets more quickly and efficiently than traditional computers, may have a significant effect on the crypto asset industry.

The Company's business may be subject to environmental regulations and liabilities

The Company's mining operations may be subject to environmental regulations, which can make operations expensive or prohibitive. The continued evolvement of environmental regulations may lead to the imposition of stricter standards, more diligent enforcement, and heavier fines and penalties for noncompliance. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations or cause delays in the development of mining projects.

The Company may be subject to potential risks and liabilities associated with pollution of the environment through its use of electricity to mine crypto assets. In addition, environmental hazards may exist on a property in which the Company directly or indirectly holds an interest which are unknown to the Company at present which have been caused by previous or existing owners or operators of the property which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

COVID-19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Additional Disclosure for Venture Issuers without Significant Revenue

General and Administrative Expenses

The following is a breakdown of the Company's operating expenses for the fiscal year ended December 31, 2021 and 2020:

Names	**Year Ended December 31, 2021 ($)**	**Year Ended December 31, 2020 ($)**
Consulting fees	383,963	211,675
Director, management fees and salaries	155,640	100,275
Professional fees	47,310	37,670
Office and miscellaneous	29,734	24,652
Salaries and wages	19,553	17,965
Business development and promotion	145,912	8,599
Share-based payments	355,100	Nil
Total	**1,137,212**	**400,836**

Other

The following is a breakdown of the Company's non-operating expenses for the fiscal year ended December 31, 2021 and 2020:

Names	**Year Ended December 31, 2021 ($)**	**Year Ended December 31, 2020 ($)**
Interest	(1,887)	Nil
Impairment of assets	Nil	(17,500)
Revaluation of digital currency	(1,678)	(533)
Foreign exchange (gain) loss	14,270	(6,964)
Total	**10,705**	**(24,997)**