



**BLOCKMINT TECHNOLOGIES INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS –**  
**QUARTERLY HIGHLIGHTS**  
**THREE AND SIX MONTHS ENDED JUNE 30, 2023**

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## **INTRODUCTION**

The following interim Management's Discussion and Analysis ("MD&A") of the financial condition and results of the operations of BlockMint Technologies Inc. (the "Company" or "BlockMint") has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion and analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2022. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended December 31, 2022 and 2021 and the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended June 30, 2023 ("the Interim Statements"), 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 three and six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at August 29, 2023 unless otherwise indicated.

The Interim Statements of the Company for the three and six months ended June 30, 2023, 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. The Interim Statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

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.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

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:

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Forward-looking statements	Assumptions	Risk factors
The Company's cash balance at June 30, 2023, 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 June 30, 2024, 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, interest rate and exchange rate fluctuations; changes in economic conditions.
The Company intends to monetize its carbon credit website through ad-based revenues.	The Company's website will prove to be popular enough with users that third parties will pay to advertise on the site.	The Company's website does not attract enough viewers to attract third party advertisers; competitors develop services viewed as superior to the Company's website; the carbon credit industry fails to grow as expected.

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**

In September 2022, the Company announced it had discontinued its cryptocurrency mining operation in Washington State and launched a new website - *carbontokensmarket.com*, which aims to be a single source of information on the expanding carbon tokens market (the "Website").

A "carbon token," is a non-fungible, tradable digital asset on a blockchain that represents one carbon credit or one tonne of carbon dioxide equivalent (CO<sub>2</sub>e) of greenhouse gas emission reduction. Over the past year, there have been a number of companies that have created carbon tokens with the aim to use blockchain technology to build secure and efficient marketplaces to scale the trading of carbon credits. The Company created the Website to provide a single source for price and market information on existing carbon tokens and aggregate news for the emerging and expanding universe of carbon tokens.

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In addition, the Company's wholly owned subsidiaries, BlockMint (Canada) Technologies Inc. ("BlockMint-Canada") and its wholly owned subsidiary, BlockMint (USA) Technologies Inc. ("BlockMint-USA"), continued in the business of developing distributed systems and networks that enable a more decentralized deployment of blockchain based applications such as cryptocurrency mining.

## **OUTLOOK AND OVERALL PERFORMANCE**

### **Corporate**

#### **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. It is anticipated that the website [www.carbontokensmarket.com](http://www.carbontokensmarket.com), as the only site aggregating pricing data and news on carbon tokens, will prove useful and popular with participants in the growing carbon tokens market. At present, there is no single source for pricing information on carbon tokens in circulation. As user traction builds, the Company intends to earn revenues through a conventional ad- based business model.

For the six months ended June 30, 2023, the Company's loss totaled \$6,289 which consisted primarily of (i) income from discontinued operations of \$76,527; (ii) operating expenses of \$96,593; and (iii) foreign exchange gain of \$13,777.

At June 30, 2023, the Company had a working capital surplus of \$1,699,103 (December 31, 2022 - working capital surplus of \$1,705,392). The Company had cash and cash equivalents of \$1,605,414 (December 31, 2022 - \$1,636,966). Working capital and cash and cash equivalents decreased during the six months ended June 30, 2023 due to net cash used in operating activities of \$31,552.

The Company has sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the 12-month period ending on June 30, 2024. See "Liquidity and Financial Position" below.

### **Description of Business**

In September 2022, the Company launched its new Website focused on tokenized carbon credits: [carbontokensmarket.com](http://carbontokensmarket.com). The Company created the Website to provide a single source for price and market information on existing carbon tokens and aggregate news for the emerging and expanding universe of carbon tokens. As user traction builds, the Company intends to earn revenues through a conventional ad-based business model.

In June 2023, the Company integrated ChatGPT into the Website. The new feature allows users to input queries via a chat box and receive ChatGPT-powered responses to questions regarding carbon markets, carbon credits, and most importantly carbon tokens.

The Company also develops distributed systems and networks that enable a more decentralized deployment of blockchain based applications such as cryptocurrency mining. The Company launched its first product, the distributed crypto-miner Minter browser, in 2019. Development and release of further software products was suspended in 2020 due to the price and volatility of cryptocurrencies. In February 2021, the Company released an upgraded version of the Minter browser and introduced a new feature which allows users to earn carbon credits to offset their carbon footprint. In May 2021, the Company re-released the Minter browser with another new feature which enabled users to also be able to earn fractional ownership in an NFT.

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An 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.

## **TRENDS**

In September 2022, the Company announced that it had launched its new Website focused on tokenized carbon credits. A tokenized carbon credit, often referred to as a "carbon token," is a non-fungible, tradable digital asset on a blockchain that represents one carbon credit or one tonne of carbon dioxide equivalent (CO<sub>2</sub>e) of greenhouse gas emission reduction. In 2021, there was approximately \$2 billion in carbon credits traded in the voluntary carbon market. McKinsey & Company has forecasted that the value of the voluntary carbon credit market could reach up to \$50 billion by 2030. Over the past year, there have been a number of companies that have created carbon tokens with the aim to use blockchain technology to build secure and efficient marketplaces to scale the trading of instruments that represent carbon credits.

The COVID 19 pandemic has had an impact on global economic activity as well as uncertainty in world events.

## **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.

## **DISCUSSION OF OPERATIONS**

### **Three months ended June 30, 2023, compared with three months ended June 30, 2022**

BlockMint's net loss totaled \$33,886 for the three months ended June 30, 2023, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$255,464 and a basic and diluted loss per share of \$0.01 for the three months ended June 30, 2022. The decrease in the net loss of \$221,578 was principally because:

- The Company recorded an income from discontinued operations of \$8,541 for the three months ended June 30, 2023, compared to a loss of \$136,995 for the three months ended June 30, 2022. The increase is due to the revaluation of digital currency and a decrease in expenditure related to digital mining activities.
- For the three months ended June 30, 2023, consulting fees and business development and promotion expenses decreased to \$21,723 from \$36,136 for the three months ended June 30, 2022, as the Company was searching for various opportunities to expand mining capabilities for the three months ended June 30, 2022.
- For the three months ended June 30, 2023, the Company recorded director, management fees and salaries of \$14,619 compared to \$38,636 for the three months ended June 30, 2022.
- For the three months ended June 30, 2023, the Company recorded a foreign exchange gain of \$11,535, compared to foreign exchange loss of \$16,372 for the three months ended June 30, 2022.

**Six months ended June 30, 2023, compared with six months ended June 30, 2022**

BlockMint's loss totaled \$6,289 for the six months ended June 30, 2023 compared to a loss of \$345,709 for the six months ended June 30, 2022, with basic and diluted loss per share of \$0.00 and loss of \$0.01, respectively. The decrease in the loss of \$339,420 for the six months ended June 30, 2023 was principally because:

- The Company recorded an income from discontinued operations of \$76,527 for the six months ended June 30, 2023, compared to a loss \$150,714 for the six months ended June 30, 2022. The increase is due to the revaluation of digital currency and a decrease in expenditure related to digital mining activities.
- For the six months ended June 30, 2023, consulting fees and business development and promotion expenses decreased to \$36,053 from \$66,555 for the six months ended June 30, 2022, primarily due to lower fees for website development.
- For the six months ended June 30, 2023, the Company recorded director, management fees and salaries of \$29,241 compared to \$77,273 for the six months ended June 30, 2022.
- For the six months ended June 30, 2023, the Company recorded a foreign exchange gain of \$13,777, an increase compared to foreign exchange loss of \$8,041 for the six months ended June 30, 2022.
- All other expenses are related to general working capital purposes.

**LIQUIDITY AND FINANCIAL POSITION**

**Cashflow**

The Company had cash of \$1,605,414 at June 30, 2023 (December 31, 2022 - \$1,636,966). The decrease in cash during the six months ended June 30, 2023 was primarily due to the cash used in operating activities.

Cash used in operating activities was \$31,552 for the six months ended June 30, 2023. Operating activities were affected by net loss of \$6,289, non-cash adjustments of \$15,116 and changes in non-cash working capital balances because of an increase in receivables and prepaid expenses of \$609, and a decreased in accounts payable and accrued liabilities of \$9,538 for the period. For the six months ended June 30, 2022, cash used in operating activities was \$202,717, which included the net loss of \$345,709 non-cash items adjustments of \$146,872 and changes in non-cash working capital balances because of a decreased in receivables and prepaid expenses of \$631, and a decrease accounts payable and accrued liabilities of \$4,511 for the period.

Cash used in financing activities was \$nil for the six months ended June 30, 2023. For the six months ended June 30, 2022, financing activities included \$61,563 due to lease payments.

**Liquidity and Capital Resources**

Historically the Company's activities have been primarily 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 no significant revenues, and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants or options and other financing transactions to maintain its capacity to meet ongoing operating activities. As of June 30, 2023, the Company had 1,250,000 stock options outstanding that would raise approximately \$362,500, if exercised in full.

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At June 30, 2023, the Company reported cash of \$1,605,414 (December 31, 2022 - \$1,636,966) and a net working capital surplus of \$1,699,103 (December 31, 2022 - working capital surplus of \$1,705,392). Currently, the Company's operating expenses are approximately \$17,500 to \$22,500 per month for management fees, month-to-month professional fees, listing expenses and other working expenses. The Company's cash as at June 30, 2023 is expected to be sufficient to satisfy current liabilities and general and administrative costs through June 30, 2024.

The Company has no operating revenues and therefore must utilize its funds obtained from the equity financing and other financing transactions to maintain its capacity to meet ongoing operating activities.

**RELATED PARTY TRANSACTIONS**

Related parties include key management personnel and others considered to have significant influence or control over the Company's operations. Key management personnel includes the Board of Directors of the Company, officers, and close family members and enterprises which are controlled by these individuals, as well as certain persons performing similar functions.

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

		<b>Three Months Ended</b>		<b>Six Months Ended</b>	
		<b>June 30,</b>		<b>June 30,</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Owen Bird Law Corporation	(i)	\$ 1,711	\$ 1,988	\$ 2,139	\$ 2,270
Bayswater Consulting Ltd.	(ii)	2,248	2,339	4,467	4,688
Marrelli Support Services Inc.	(iii)	14,303	\$ 8,434	\$ 22,835	\$ 16,947

(i) For the three and six months ended June 30, 2023, the Company expensed professional fees of \$1,711 and \$2,139, respectively (three and six months ended June 30, 2022 - \$1,988 and \$2,270, respectively), to Owen Bird Law Corporation, a legal firm of which a director is a shareholder. As at June 30, 2023, \$3,001 (December 31, 2022 - \$1,153) was payable to this party and the amount is included in accounts payable and accrued liabilities.

(ii) For the three and six months ended June 30, 2023, the Company expensed consulting fees of \$2,248 and \$4,467, respectively (three and six months ended June 30, 2022 - \$2,339 and \$4,688, respectively) to a private company controlled by the Company's corporate secretary, for corporate services.

(iii) For the three and six months ended June 30, 2023, the Company expensed consulting fees of \$14,303 and \$22,835, respectively (three and six months ended June 30, 2022 - \$8,434 and \$16,947, respectively) 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 June 30, 2023, Marrelli was owed \$6,247 (December 31, 2022 - \$6,267), and the amount is included in accounts payable and accrued liabilities.

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

Names	Salaries and wages		Total	
	Three months ended June 30,		Three months ended June 30,	
	2023 \$	2022 \$	2023 \$	2022 \$
Nelson Ijeh, CEO / CIO	6,000	30,000	6,000	30,000
Jeff Lightfoot, Director	2,874	2,879	2,874	2,879
David Patterson, Director	2,874	2,879	2,874	2,879
Colin Watt, Director	2,874	2,879	2,874	2,879
<b>Total</b>	<b>14,622</b>	<b>38,637</b>	<b>14,622</b>	<b>38,637</b>

Names	Salaries and wages		Total	
	Six months ended June 30,		Six months ended June 30,	
	2023 \$	2022 \$	2023 \$	2022 \$
Nelson Ijeh, CEO / CIO	12,000	60,000	12,000	60,000
Jeff Lightfoot, Director	5,748	5,758	5,748	5,758
David Patterson, Director	5,748	5,758	5,748	5,758
Colin Watt, Director	5,748	5,758	5,748	5,758
<b>Total</b>	<b>29,244</b>	<b>77,274</b>	<b>29,244</b>	<b>77,274</b>

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**PRIOR YEAR RESTATEMENT**

The Company is restating its June 30, 2022, comparative period statement of loss and comprehensive loss to reflect the discontinued cryptocurrency mining announced subsequent to the six months ended June 30, 2022, in September 2022

**Line item on the restated consolidated statements of loss and comprehensive loss**

Three months June 30, 2022	Previously reported	Reclass	Restated
<b>Revenue</b>			
Digital currency mined	\$ 56,780	\$ (56,780)	\$ Nil
<b>Cost of revenue</b>			
Site operating cost	(1,920)	1,920	Nil
Depreciation	(94,982)	94,982	Nil
<b>Gross profit</b>	<b>(40,122)</b>	<b>40,122</b>	<b>Nil</b>
Loss before other items	(142,219)	40,122	(102,097)
Interest expensed	(3,079)	3,079	Nil
Revaluation of digital currency	(93,794)	93,794	Nil
<b>Total loss</b>	<b>(255,464)</b>	<b>136,995</b>	<b>(118,469)</b>
<b>Discontinued operations</b>			
Net loss from discontinued operations	Nil	(136,995)	(136,995)
<b>Total loss and comprehensive loss</b>	<b>\$ (255,464)</b>	<b>\$ Nil</b>	<b>\$ (255,464)</b>

Six months ended June 30, 2022	Previously reported	Reclass	Restated
<b>Revenue</b>			
Digital currency mined	\$ 142,089	\$ (142,089)	\$ Nil
<b>Cost of revenue</b>			
Site operating cost	(3,842)	3,842	Nil
Depreciation	(192,497)	192,497	Nil
<b>Gross profit</b>	<b>(54,250)</b>	<b>54,250</b>	<b>Nil</b>
Loss before other items	(241,204)	54,250	(186,954)
Interest expensed	(11,213)	11,213	Nil
Revaluation of digital currency	(85,251)	85,251	Nil
<b>Total loss</b>	<b>(345,709)</b>	<b>150,714</b>	<b>(194,995)</b>
<b>Discontinued operations</b>			
Net loss from discontinued operations	Nil	(150,714)	(150,714)
<b>Total loss and comprehensive loss</b>	<b>\$ (345,709)</b>	<b>\$ Nil</b>	<b>\$ (345,709)</b>