

INTRODUCTION

The following management’s discussion and analysis (“MD&A”) of the financial condition and results of the operations of Blockmate Ventures Inc. (or the Company) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the nine months ended March 31, 2024. This MD&A was written to comply with the requirements of National Instrument 51-102—Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended June 30, 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company’s consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Information contained herein is presented as of March 31, 2024, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with 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 the common shares of the Company; (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 board of directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available at the Company’s offices or on SEDAR at www.sedar.com.

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, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company’s ability to protect its proprietary technology; the Company’s ability to meet its working capital needs at the current level for the period ending June 30, 2023; the plans, costs, timing and capital for future development of the Company’s assets, including the costs and potential impact of complying with existing and proposed laws and regulations; management’s outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company’s ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, changes in debt and equity markets, timing, and availability of external financing on acceptable terms, increases in costs, interest rate and exchange rate fluctuations, as well as those risk factors listed in the “Risk Factors” section below. Readers are cautioned that the foregoing list is not exhaustive of the factors that may affect the forward-looking statements. 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. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for the Company’s development of its assets;

operating costs; the Company's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company'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.

HIGHLIGHTS

For the nine months ended March 31, 2024, the Company recorded revenue of \$Nil from continuing operations and \$229,113 from discontinued operations with the following business highlights:

- Gross margin of 22.67% from discontinued operations.
- Basic Loss per share of \$0.00 and Diluted Loss per share of \$0.00 from continuing and discontinued operations for the three months ended March 31, 2024.
- Basic Loss per share of \$0.02 and Diluted Loss per share of \$0.01 from continuing and discontinued operations for the nine months ended March 31, 2024.

The consolidated financial statements comprise of the financial statements of the Company and the following entities owned and controlled by the Company and its subsidiaries:

| Name of Subsidiary | Country of Incorporation | Ownership | | Principle Activities |
|----------------------------|--------------------------|--------------|--------------|----------------------|
| | | Jun 30, 2023 | Mar 31, 2024 | |
| Blockchain World Ltd (BWL) | London | 100% | 100% | Blockchain |
| Hivello Holdings Ltd (HVL) | London | 100% BWL | 96% BWL | Blockchain |
| Hivello Operations B.V. | Netherlands | 100% HVL | 100% HVL | Blockchain |
| Midpoint & Transfer (MPNT) | England and Wales | 100% | - | Currency exchange |
| Midpoint Hongkong (MPT HK) | Hongkong | 100% | - | Currency exchange |

During the year ended June 30, 2023, the Company decided to divest its Midpoint foreign exchange business to focus on Hivello and related projects. This divestment is expected to reduce its net cash outflows by approximately \$500,000 per annum.

The following subsidiaries were classified as held for sale – discontinued operations on June 30, 2023, pursuant to the management's intention to sell the entities within the year. The operating results of the subsidiaries are included in discontinued operations in these consolidated financial statements until the date of disposition:

| Name of Subsidiary | Country of Incorporation | Ownership | | Principle Activities |
|----------------------------|--------------------------|--------------|--------------|----------------------|
| | | Jun 30, 2023 | Mar 31, 2024 | |
| Midpoint & Transfer (MPNT) | England and Wales | 100% | - | Currency exchange |
| Midpoint Hongkong (MPT HK) | Hongkong | 100% | - | Currency exchange |

As at November 21, 2023, the company completed the divestiture of Midpoint Hongkong, and accordingly has not been consolidated subsequent to November 21, 2023. The operating results of the following subsidiary are included in the

consolidated statement of comprehensive loss up until the date of disposal. The sale of MPT HK resulted to a loss in disposition of subsidiary from continuing operations for \$5,116.

| Ownership | | | | |
|----------------------------|--------------------------|--------------|--------------|----------------------|
| Name of Subsidiary | Country of Incorporation | Jun 30, 2023 | Mar 31, 2024 | Principle Activities |
| Midpoint Hongkong (MPT HK) | Hongkong | 100% | - | Currency exchange |

As at March 31, 2024, the company has completed its previously announced divestiture of Midpoint & Transfer, and accordingly has not been consolidated subsequent to March 31, 2024. The operating results of this subsidiary are included in the consolidated statement of comprehensive loss up until the date of disposal. The sale of MPNT resulted to the gain in disposition of subsidiary from continuing operations for \$112,291.

| Ownership | | | | |
|----------------------------|--------------------------|--------------|--------------|----------------------|
| Name of Subsidiary | Country of Incorporation | Jun 30, 2023 | Mar 31, 2024 | Principle Activities |
| Midpoint & Transfer (MPNT) | England and Wales | 100% | - | Currency exchange |

During the nine months ended March 31, 2024, Hivello, a subsidiary, entered into an advanced subscription agreement that allows the investors to convert the principal amount to shares of Hivello.

In December 2023, the company successfully completed a 1,000,000 USD capital raise. This SAFE instrument fundraising round placed a pre-money valuation cap on Hivello at 5,000,000 USD. In January 2024, the company successfully completed an additional 1,500,000 USD capital raise at a pre-money valuation cap on Hivello at 9,000,000 USD.

The Company issued an aggregate of 2,564,229 USD (\$3,442,254) Simple Agreement for Future Equity (SAFE) notes in relation to the agreement. The investment rounds were funded by leading Web3 funds including Blockchange (USA), Cypher Capital, MH Ventures, Primal Capital, Contango Digital Assets, Candaq, NGC ventures, Blockchain Founders Fund and IDG.

BUSINESS OVERVIEW

Blockmate owns 100% of Blockchain World Ltd (BWL). BWL owns 96% of Hivello Holdings Ltd (Hivello/HVL) and the premium domain names Blockchain.eu (Europe) and Blockchain.com.au (Australia). Hivello Holdings Ltd owns 100% of Hivello Operations B.V. Hivello has built an application that enables internet users to earn up to US\$20 per month in passive income, simply by contributing their idle computing resources. Hivello is an application that users can download to their computer, and with one-click instantly run automated Web3 software in the background that pays passive income in their local currency on a monthly basis.

Blockmate is a reporting issuer under applicable securities legislation in the provinces of Alberta, British Columbia and Ontario and its outstanding shares are listed on the:

- TSX-V under the symbol "MATE"
- OTCQB under the symbol "MATEF" and
- Frankfurt Stock Exchange under the symbol "8MH".

ACQUISITION OF SUBSIDIARY

On March 15, 2022, the Company completed its Qualifying Transaction and acquired all of the issued and outstanding Blockchain World Ltd shares. The Company issued a total of 10,000,000 common shares. As a result of the transaction, the Company obtained 100% of the common shares of the entity. Only the assets, liabilities, and the results of operations of Blockchain World Ltd. after March 15, 2022, are included in these consolidated financial statements.

Since the Company issued shares to Blockchain World Ltd. shareholders with a value in excess of the assets received, the difference is assigned to premium on acquisition of subsidiary of \$2,250,000 which is the difference between fair value of the consideration and the net identifiable assets at the time of acquisition.

The acquisition of BWL does not constitute a business combination because the entity does not meet the definition of a business under IFRS 3 – Business Combination. As a result, the transaction has been measured at the fair value of equity consideration issued to acquire this entity.

The purchase price was determined based on IFRS 2 – Share Based Payments. The fair value of the consideration is determined based on the fair value of the shares that the accounting parent would have had to issue. The fair value of these shares, based on the consideration received for the common shares issued is \$2,250,000.

| | \$ |
|--|-----------|
| Fair value of shares issued by Blockmate Ventures Inc. (Formerly Midpoint Holdings Ltd.) | 2,250,000 |
| Net assets of Blockchain World Ltd. | - |
| Premium on acquisition of subsidiary | 2,250,000 |

At the date of issuance of the equity instruments, a synergy was obtained through the acquisition of executive leadership from BWL, which did not qualify for recognition as an asset, therefore was immediately recognized as an expense. The \$2,250,000 attributed to the executive leadership is recorded as consideration paid in excess of net assets acquired from acquisition in the consolidated statements of net loss and comprehensive net loss.

The premium of acquisition of subsidiary of \$2,250,000 are a non-cash expense item that represents the excess fair value associated with the shares issued on Closing of the Qualifying Transaction over the fair value of the net assets acquired by the accounting acquirer. Prior to Closing the net asset value of the Company was \$nil.

The fair value of the net assets of Blockchain World Ltd. prior to closing was as follows:

| | \$ |
|--|----------|
| Accounts receivable | 5,896 |
| Intangible assets (Domains) | 71,659 |
| Accounts payable and accrued liabilities | (77,555) |
| Total | - |

In November 2022, BWL has launched the Australian and European website domains, which successfully satisfied two of the previously established performance milestones related to its acquisition of Blockchain World (BWL). As a result of the satisfaction of the milestones, the company has issued 10,000,000 units of common shares at \$0.05 per unit for a total consideration of \$500,000 to the former shareholders of BWL as agreed at the time of purchase. The performance shares are subject to restrictions on resale until March 18, 2023, in accordance with applicable securities laws.

STRATEGY AND OUTLOOK

By divesting its Midpoint foreign exchange business, Blockmate has reduced its net cash outflows by approximately \$500,000 per annum, and now focuses on Hivello and related projects. Accordingly, the Company is now well positioned to achieve the following business objectives:

- The company has elected to terminate the share purchase agreement with the shareholders of Bess Power Innovation. No funds were advanced to Bess in connection with the proposed acquisition, and the company has not assumed any continuing liabilities or obligations as a result of termination of the agreement.
- Continue to build the Hivello platform, find investment partners and launch the platform within 3 months.
- Hivello Holdings Ltd., a subsidiary, completed \$2,564,229 USD (\$3,442,254) financing. The completion of the divestiture of the Midpoint business, and termination of the acquisition of Bess, will allow the company to focus its available resources on the continued development of Hivello as well as the evaluation of other prospective investment opportunities.

FINANCIAL PERFORMANCE

During the nine months ended March 31, 2024, the Company recognized total operating expenses of \$2,057,677 (March 31, 2023 - \$1,759,079) from its continuing and discontinued operations.

As at March 31, 2024, the Company had a working capital deficit of \$1,446,212 (June 30, 2023 - working capital deficit of \$320,162). The Company had cash of \$402,499 (June 30, 2023 - \$825,235). The Company maintains cash in various banks in Canada, United Kingdom, and Netherlands. As at March 31, 2024, the cash balance consists of \$402,499 (June 30, 2023 - \$499,852) held by entities with continuing operations and \$Nil (June 30, 2023 - \$325,383) held by the disposal group held for sale.

HISTORY OF THE COMPANY

The Company was incorporated under the Business Corporation Act (British Columbia) on April 15, 2010 and was classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V") Corporate Finance Manual. The principal business of the Company was to identify and evaluate companies, assets or businesses with a view to completing a Qualifying Transaction (as defined in Policy 2.4). The common shares of the Company were initially listed on the TSX-V with the trading symbol "JRL.P".

On April 11, 2013, the Company completed its Qualifying Transaction (the "Transaction") with BuyFX Ltd. ("BuyFX") and concurrent financing whereby the Company acquired all issued and outstanding securities of BuyFX in exchange for the issuance of securities of the Company. For accounting purposes, this share exchange is treated as a reverse takeover ("RTO") with BuyFX being the accounting acquirer.

Until its acquisition pursuant to the Transaction, BuyFX operated a P2P foreign exchange matching platform through its wholly owned UK subsidiary, Midpoint & Transfer Ltd ("Midpoint"). On May 20, 2014, BuyFX and the Company amalgamated to form one company as Midpoint Holdings Ltd.

On March 15, 2022, the Company completed its Qualifying Transaction and acquired all of the issued and outstanding Blockchain World Ltd shares ("BWL"). The Company issued a total of 10,000,000 common shares. As a result of the transaction, the Company obtained 100% of the common shares of the entity. BWL owns the premium domain names Blockchain.eu (Europe), Blockchain.com.au (Australia) and 100% of Hivello Holdings Ltd ("Hivello").

On September 21, 2023, the Company entered into a binding agreement to divest its Midpoint foreign exchange business. Management expects the 100% sale of Midpoint to David Wong for a nominal figure will allow Blockmate to focus all of its resources toward the blockchain within its portfolio and reduce its net cash outflows by approximately \$500,000 per annum. As at March 31, 2024, the company completed the divestiture of both Midpoint & Transfer and Midpoint Hongkong.

In consideration for the divestitures, MPT HK and MPNT management will assume responsibility for all liabilities and obligations associated with the business as well as operational expenses associated with maintaining its operations. The sale of MPT HK resulted to a loss in disposition of subsidiary of \$5,116 while sale of MPNT resulted to a gain in disposition of subsidiary of \$112,291.

SELECTED FINANCIAL INFORMATION

The following is selected financial data derived from the unaudited quarterly consolidated financial statements of the Company for the three months ended March 31, 2024, 2023 and 2022 and year ended June 30, 2023, 2022 and 2021. Note that all financial data for 2024, 2023, 2022 and 2021 are stated in Canadian dollars.

| | Three months March 31, 2024 | Three months March 31, 2023 | Three months March 31, 2022 | Year ending June 30, 2023 | Year ending June 30, 2022 | Year ending June 30, 2021 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Total revenues | \$ 95,976 | \$ 96,813 | \$ 253,458 | \$ 340,323 | \$ 435,779 | \$ 388,314 |
| Net Income (loss) | (524,345) | (644,631) | (2,948,259) | (2,809,575) | (4,638,888) | (786,544) |
| Net income/(loss) income per share – basic | (0.00) | (0.01) | (0.06) | (0.04) | (0.08) | (0.02) |
| Net income/(loss) income per share – diluted | (0.00) | (0.01) | (0.04) | (0.02) | (0.06) | (0.02) |
| Total assets | 2,585,713 | 442,491 | 2,471,733 | 961,190 | 794,219 | 3,067,206 |
| Total non-current liabilities | nil | nil | 737,626 | nil | nil | nil |
| Dividends distributed/declared | nil | nil | nil | nil | nil | nil |

- Total net loss for the three months ended March 31, 2024, consists of a net loss of \$499,022 (2023 – \$417,653) from continuing operations and \$25,323 (2023 – \$226,978) from discontinued operations.
- The net loss for the three months ended March 31, 2024, consisted primarily of professional fees, wages, marketing expenses, rent, filing fees and transfers, amortization and depreciation, share-based compensation, interest income, gain/loss on disposition of subsidiary, and loss of debt forgiven.
- The net loss for the three months ended March 31, 2023, consisted primarily of professional fees, wages, general and administrative expenses, marketing expenses, website and software operating costs, rent, filing fees, and amortization and depreciation.
- The net loss for the period ended March 31, 2022, consisted primarily of transaction costs, professional fees, wages, amortization and depreciation, marketing expenses, filing fees, rent, general and administrative expenses, and software development and website expenses.
- The net loss for the three months ended June 30, 2023, consisted primarily of professional fees, wages, general and administrative expenses, marketing expenses, software development and website cost, rent, filing fees and transfers, amortization and depreciation, and impairment of intangibles.
- The net loss for the year ended June 30, 2022, consisted primarily of professional fees, wages, depreciation and amortization, marketing expenses, filing fees, rent, general and administrative expenses, and website and software cost. The Company also incurred impairment losses on intangibles and equipment, and premium on acquisition of BWL.
- The net loss for the year ended June 30, 2021, consisted primarily of professional fees, wages, depreciation, marketing, filing fees, rent, general and administrative expenses, website and software operating costs, and settlement accretion expenses.

The following table sets forth selected financial information for the Company's eight most recent quarters ending with the last quarter for the three months ending March 31, 2024.

| | Three months ended Mar 31, 2024 \$ | Three months ended Dec 31, 2023 \$ | Three months ended Sep 30, 2023 \$ | Three months ended Jun 30, 2023 \$ |
|-------------------------------------|---|---|---|---|
| Total revenues | 95,976 | 64,303 | 68,834 | 64,864 |
| Net Income (loss) | (524,345) | (404,680) | (514,029) | (747,462) |
| Net income/(loss) per share—basic | (0.00) | (0.00) | (0.00) | (0.01) |
| Net income/(loss) per share—diluted | (0.00) | (0.00) | (0.00) | (0.01) |
| Total assets | 2,585,713 | 2,004,333 | 502,391 | 961,190 |

| | Three months ended Mar 31, 2023 \$ | Three months ended Dec 31, 2022 \$ | Three months ended Sep 30, 2022 \$ | Three months ended Jun 30, 2022 \$ |
|-------------------------------------|---|---|---|---|
| Total revenues | 96,813 | 98,287 | 80,359 | 81,522 |
| Total Income (loss) | (644,630) | (951,953) | (529,355) | (1,301,916) |
| Net income/(loss) per share—basic | (0.01) | (0.02) | (0.01) | (0.02) |
| Net income/(loss) per share—diluted | (0.01) | (0.02) | (0.01) | (0.02) |
| Total assets | 442,491 | 619,990 | 458,680 | 794,219 |

SUMMARY OF QUARTERLY RESULTS

| | Total Assets \$ | Profit or Loss \$ | Basic & Diluted Earnings (Loss) Per Share \$ |
|---------------------|--------------------|--------------------------|--|
| 2024 – March 31 | 2,585,713 | (524,345) ⁽¹⁾ | (0.00) |
| 2023 – December 31 | 2,004,333 | (404,680) ⁽²⁾ | (0.00) |
| 2023 – September 30 | 502,391 | (502,391) ⁽³⁾ | (0.00) |
| 2023 – June 30 | 961,190 | (747,462) ⁽⁴⁾ | (0.01) |

Notes:

- (1) The net loss of \$524,345 consisted primarily of professional fees, wages, general and administrative, marketing, software development and website cost, rent, filing fees and transfers, amortization and depreciation, share-based compensation, interest income, gain on debt settlement and loss of debt forgiven.
- (2) The net loss of \$404,680 consisted primarily of loss on debt forgiven, share-based compensation, professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and software development and website costs.
- (3) The net loss of \$502,391 consisted primarily of professional fees, wages, general and administrative, marketing, software development and website cost, rent, filing fees and transfers, amortization and depreciation, foreign exchange gain/loss, grant income, interest income, expense recovery, and impairment of intangibles.
- (4) The net loss of \$747,462 consisted primarily of premium on acquisition of subsidiary, share-based compensation, professional fees, wages, amortization and depreciation, marketing, filing fees, rent, general and administrative expenses, and software development and website costs.

DISCUSSION OF OPERATIONS

Three Months ended March 31, 2024, compared with the Three Months ended March 31, 2023.

The Company's net loss totalled \$524,345 for the three months ended March 31, 2024, with basic and diluted loss per share of \$0.00. This compares with a total net loss of \$644,631 with basic and diluted loss per share of \$0.01 for the three months ended March 31, 2023, a decrease of \$120,286 in net loss principally due to increase in interest income and gain on disposition of subsidiary.

Nine Months Ended March 31, 2024, compared with the Nine Months Ended March 31, 2023.

The Company's net loss totalled \$1,443,054 for the nine months ended March 31, 2024, with basic and diluted loss per share of \$0.01. This compares with a total net loss of \$2,125,939 with basic and diluted loss per share of \$0.03 and \$0.02 for the nine months ended March 31, 2023, a decrease of \$682,884 in net loss principally due to a decrease wages, marketing expenses, rent, software development and website cost, and premium on acquisition of subsidiary; and increase in grant income, interest income, gain on debt forgiven, and gain on disposition of subsidiary.

LIQUIDITY AND FINANCIAL POSITION

The activities of the Company were financed through equity transactions such as equity offerings.

There is no assurance that the Company's business will result in future profitable operations. The business is subject to risk, market conditions, supply and demand, and competition. The Company relies on financing and the cash currently available to meet its administrative overhead and maintain its assets. The recoverability of amounts shown in assets is dependent on several factors. These factors include the ability of the Company to obtain financing to complete the planned growth, reduction of operating expenses, and future cashflow from the Company's business.

However, there can be no assurance that the Company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position.

Current liabilities increased to \$3,837,170 at March 31, 2024, compared to \$1,281,352 at June 30, 2023; the increase of \$2,555,818 was primarily due to increases in SAFE notes, slightly offset by decrease in accounts payable and accrued liabilities, due to directors, and liabilities of the disposal group held for sale.

During the nine months ended March 31, 2024, the Company had cash from continuing operations of \$402,499 (June 30, 2023 - \$499,852) and cash from discontinued operations of \$Nil (June 30, 2023 - \$325,383) to satisfy current liabilities of \$3,837,170 (June 30, 2023 - \$1,281,352). As at March 31, 2024, the cash involves cash and digital and fiat currencies held at exchanges or with custodians consisting of \$258,483 cash (June 30, 2023 - \$499,852), \$Nil cash from disposal group held for sale (June 30, 2023 - \$325,383), \$6,574 USDT, \$137,434 USDC, and \$9 ZEUR.

There is currently a deficit in the working capital as there is not sufficient cash to be able to meet the current liabilities that the entity holds. To be able to settle liabilities, the management plans to raise funds from further capital raises to help generation of positive cash flow.

As of March 31, 2024, the Company had 110,797,758 (June 30, 2023 - 107,966,997) common shares issued, 34,465,337 (June 30, 2023 - 34,465,337) warrants granted and outstanding, 7,550,000 (June 30, 2023 - Nil) option granted and outstanding, and 2,520,000 (June 30, 2023 - Nil) RSU granted and outstanding.

The Company has issued an aggregate of 13,025,000 warrants exercisable at \$0.20 per Warrant in a Private Placement dated February 5, 2020; these warrants were not exercised and expired on February 5, 2023. The Company has issued 1,250,000 warrants exercisable at \$0.20 per Warrant in a Private Placement dated July 9, 2020; these warrants were not exercised and expired on July 9, 2022. The Company has issued an aggregate of 6,000,000 warrants exercisable at \$0.20 per Warrant in a Private Placement dated March 22, 2021; these warrants were not exercised and expired on March 22, 2023. The Company also issued 16,293,337 warrants exercisable at \$0.075 per warrant in a private placement dated November 17, 2022, 1,772,000 warrants exercisable at \$0.075 per warrant in a private placement dated January 9, 2023, and 16,400,000 warrants exercisable at \$0.075 per warrant in a private placement dated June 20, 2023. These warrants expire three years from the closing of the Private Placement.

On October 27, 2023, the Company granted 7,550,000 incentive stock options to certain directors, officers and consultants to the company. With 146,938,374 securities on issue after issue of these options, these incentive options will represent 5.5% of the fully diluted capital. The options vest quarterly over a 24-month period and are exercisable at a price of \$0.50 until Oct. 27, 2028. As at March 31, 2024, a total of 3,709,742 options have vested and are exercisable.

On February 07, 2024, the Company granted 2,520,000 restricted share units to certain directors and officers of the company. The RSUs were granted in accordance with the omnibus incentive plan adopted by the company and vest and convert into common shares on February 07, 2025. The share price as at date of grant is \$0.045. As at March 31, 2024, a

total of 364,918 RSUs have vested and the Company recognized the value of the vested RSU to be \$16,421 for the nine months ended March 31, 2024 (March 31, 2023 - \$Nil)

Cash used in operating activities from continuing operations and discontinued operations were \$1,693,322 and \$414,630, for the nine months ended March 31, 2024 (March 31, 2023 - \$775,618 and \$370,313). Operating activities were affected by a net increase of non-cash working capital of \$291,045 because of increase in accounts receivable of \$22,541 and prepaid expenses of \$235,832, and decrease in due to directors of \$13,267 and accounts payable and accrued liabilities of \$19,405, and non-cash transactions involving gain on write up of plant and machinery of \$207,240, gain on debt settlement of \$14,154, accrual of interest income of \$57,123, sale of subsidiaries of \$160,936, gain on sale of MPNT and MPT HK of \$107,175, and expense recovery of \$1,234; offset by depreciation expense of \$9,002, impairment of intangibles and net assets of \$377 and share-based compensation of \$141,380.

Cash received from financing activities from continuing operations and discontinued operations were \$1,752,833 and \$Nil for the nine months ended March 31, 2024 (March 31, 2023 - \$937,405 and \$Nil). The financing activities were primarily affected by the proceeds of SAFE notes and share issuances amounting to \$3,343,256 and \$25,000, offset by the cash used in entering into a loan agreement to loan an arm's length party amounting to \$1,615,423.

Cash used on investing activities from continuing operations and discontinued operations were \$2,681 and \$6,468 for the nine months ended March 31, 2024 (March 31, 2023 - \$Nil and \$13,600). The investing activity was primarily affected by the acquisition of intangibles amounting to \$9,149.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its wages and marketing to drive and manage its growth in revenue.

On March 31, 2024, the Company had working capital deficiency of \$1,446,212 (June 30, 2023 - \$320,162). On March 31, 2024, the Company also had an accumulated deficit of \$24,006,389 (June 30, 2023 - \$22,576,973).

The ability of the Company to obtain necessary financing to fund working capital is uncertain. The ability of the Company to generate sales revenue to offset the expenses and maintain profitability is uncertain. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern. The Company will require additional financing from time to time, which it intends to obtain through the issue of common shares. While the Company has been successful in raising equity financing through the issuances of common shares in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

MANAGEMENT OF CAPITAL

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives; and
- To maximize shareholder return.

The Company monitors its capital structure and adjusts according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets.

The capital structure is reviewed by management and the board of directors on an ongoing basis. The Company considers its capital to be equity, comprising of share capital, warrant and option reserves, contributed surplus, RSU, accumulated other comprehensive loss, and deficit which as at March 31, 2024 amounts to \$24,006,389 (June 30, 2023 - \$22,576,973).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its operating activities. Selected information is provided to

the board of directors. The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended March 31, 2024.

The Company is not subject to any capital requirements imposed by a lending institution or any other external capital requirements.

SAFE NOTES

Safe Notes I

In August 2022, the Company entered into an advanced subscription agreement (also referred to as convertible note/SAFE) with six investors that allows the investors to convert the principal amount to shares of Hivello (a wholly owned subsidiary). The Company issued an aggregate of 73,729 USD (\$97,617) SAFE notes, convertible at a discount of 20%, and bearing interest of 6% paid in equity at conversion period.

The conversion terms include: (1) Where conversion takes place pursuant to below, a price per Conversion Share that includes a discount of 6% of the Subscription Price. The discount is applied on initial recognition. IFRS 9 requires a financial liability to be recognized initially using the fair value in addition to the discount, increasing the carrying value of the financial liability. In this case, the 6% below market interest rate will require amortising the discount subsequently, recognizing an interest expense in the income statement. (2) Where conversion takes place pursuant to clause 3.1(b) or 3.1(c) below, a price per Conversion Share equal to a price per share based on a pre-money valuation of 25,000,000 USD, rounded down to the nearest whole share.

The 6% annual interest rate is measured using the Effective Interest Rate (EIR) and the discount initially recognized as financial liability is subsequently amortized. The payment of the Interest by the Company via bank transfer to the Subscriber is nominated bank account (details of which shall be provided separately to the Company by the Subscriber) on or within 7 days after the Conversion Date: or the Company shall allot and issue to the Subscriber ordinary shares equal to a price per share based on a pre-money valuation of 25,000,000 USD, rounded down to the nearest whole share that when aggregated equates to the Interest ("Aggregated Share Equivalent") on the Conversion Date, and the Company shall use its reasonable endeavors to achieve parity between the Interest and the Aggregated Share Equivalent but the Subscriber recognizes and consents to any required downward adjustments of the Aggregated Share Equivalent to ensure that the Subscriber receives a whole number of shares.

As at the June 30, 2023, no SAFE note was converted, and no equity was issued by the Company in relation to this note. As at March 31, 2024, \$97,732 SAFE notes were converted to SAFE Notes II with the terms mentioned below.

Safe Notes II

In December 2023, the Company entered into an advanced subscription agreement that allows the investors to convert the principal amount to shares of Hivello (a wholly owned subsidiary). On December 14, 2023, the company successfully completed a 1,000,000 USD capital raise. This SAFE instrument fundraising round places a pre-money valuation cap on Hivello at 5,000,000 USD. Consequently, once converted, the post-money valuation of Blockmate's stake is an estimated 4,000,000 USD.

In December 2023, the Company issued an aggregate of 1,484,229 USD (\$1,987,112) Simple Agreement for Future Equity (SAFE) notes in relation to the agreement. Of the issued SAFE notes include 484,229 USD (\$648,294) advance payments from investors for the second round of capital raise closed in January 2024.

In January 2024, the Company closed additional 1,500,000 USD capital raise at a pre-money valuation cap of 9,000,000 USD. In connection to this financing, the Company issued an aggregate of 1,080,000 USD (\$1,455,142) Simple Agreement for Future Equity (SAFE) notes. As at March 31, 2024, the total SAFE notes issued by the Company amounts to \$3,442,254.

Pursuant to the capital raise, the company received gross proceeds of:

- Cash and cash equivalents amounting to 2,215,500 USD (\$2,976,195)
- Service agreements equivalent to 275,000 USD (\$368,442)
- Converted SAFE Notes I, amounting to 73,729 USD (\$97,617)

The terms of the agreement state the following:

- The convertible notes have no maturity date.
- The Company will issue a variable number of shares upon conversion and ultimate settlement of the debt.
- If the Company has any Future Token* Offerings, then the Investor shall be entitled to receive, at no cost, a portion of the Tokens being distributed in Future Token Offerings on a pro-rata basis.
- *Coin or Token means any form of sale, grant, distribution, private sale or the public sale of cryptographic coins or tokens via a private placement, initial coin offering, blockchain or otherwise.
- No interest is payable on the Advance Subscription in any circumstance. No amount of the Advance Subscription is repayable by the Company in any circumstance, but such amount may be converted into Shares.

The instruments are classified as financial liabilities until conversion takes place in line with IFRS 9, financial instruments.

Conversion terms:

- The Advance Subscription shall automatically convert into Conversion Shares at the Conversion Price, and the Company shall issue and allot to the Subscriber (or as the Subscriber shall direct) the number of fully paid Conversion Shares to which it is entitled in event of financing round, liquidation event, long stop date, and insolvency.
- The Conversion Shares so allotted and issued shall be in full satisfaction and discharge of all obligations of the Company under this agreement to the Subscriber and this agreement shall terminate automatically and immediately on completion of such conversion.

As at March 31, 2024 and as of the date of this MDA, no SAFE note was converted, and no equity was issued by the Company in relation to this note.

SHARE CAPITAL

As of March 31, 2024, and as of the date of this MDA, the Company had 110,797,758 (June 30, 2023 - 107,966,997) common shares issued and outstanding.

As of March 31, 2024, and the date of this MD&A, the company had 7,550,000 (June 30, 2023 – Nil) option granted and outstanding.

As of March 31, 2024, and the date of this MD&A, the Company had 34,465,337 (June 30, 2023 - 34,465,337) warrants granted and outstanding.

As of March 31, 2024, and the date of this MD&A, the Company had 2,520,000 (June 30, 2023 – Nil) RSU granted and outstanding.

NON-CONTROLLING INTEREST

On November 14, 2024, Hivello Holdings, a subsidiary, entered into a stock purchase agreement and issued 465 of its common stock resulting in 4% of the ownership interest held by non-controlling shareholders.

Reconciliation of non-controlling interest as follows:

| | March 31, 2024 | June 30, 2023 |
|--|-----------------|---------------|
| Beginning Balance | \$ - | \$ - |
| Non-controlling interest share in net loss | (13,638) | - |
| Ending Balance | (13,638) | - |

RISK FACTOR

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors described below.

Credit Risk, Foreign Exchange Risk, Liquidity Risk

Financial instruments that could expose the Company to credit risk are primarily cash and cash equivalents and accounts receivable. The Company has deposited its cash in financial institutions with a good reputation, and management considers the risk of losses to be negligible.

The Company is exposed to currency risk as the Company has transactions through its subsidiaries operating in Great British pounds (GBP). The Canadian dollar equivalent value of all cash held in foreign denominated currencies as at March 31, 2024 is \$396,680 (June 30, 2023 - \$329,013). Based upon the net exposure as at March 31, 2024, a 12% depreciation or appreciation of the Great British pounds relative to the Canadian dollar would result in approximately \$47,602 (June 30, 2023 - \$39,482) change in the Company's consolidated net loss and comprehensive loss. To date, funds have been raised in Canadian currency (CAD) and British Pounds (GBP) while expenses were largely in British Pounds (GBP). The Company continues to operate primarily in CAD at the holding level. However, the Company is exposed to foreign exchange risk on a portion of its cash, accounts payable, accrued liabilities, and GBP bank account. Management is actively hedging a portion of that exposure to mitigate this.

The Company is exposed to liquidity risk. Liquidity risk is the exposure of the Company to the risk of not being able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's future liquidity is dependent on factors such as the ability to generate cash from operations and to raise money through debt or equity financing.

As at March 31, 2024 the Company had cash from continuing operations of \$402,499 (June 30, 2023 - \$499,852) and cash from discontinued operations of \$Nil (June 30, 2023 - \$325,383) to satisfy current liabilities of \$3,837,170 (June 30, 2023 - \$1,281,352). As at March 31, 2024, the cash involves cash and digital and fiat currencies held at exchanges or with custodians consisting of \$258,483 cash (2023 - \$499,852), \$Nil cash from disposal group held for sale (2023 - \$325,383), \$6,574 USDT (2023 - \$Nil), \$137,434 USDC (2023 - \$Nil), and \$9 ZEUR (2023 - \$Nil).

Financial instruments that could expose the Company to credit risk is primarily the cash and cash equivalent. The Company has deposited its cash in financial institutions with a good reputation, and management considers the risk of losses to be negligible. Cash consists of cash and digital and fiat currencies held at exchanges or with custodians and the management believes that the credit risk concentration with respect to these items is remote.

Management

The success of the Company is currently largely dependent on the performance of its management. Shareholders will be relying on the good faith, experience and judgment of the Company’s management and advisers in supervising and providing for the effective management of the Company’s business. The loss of the services of these persons could have a materially adverse effect on the Company’s business and prospects. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.

The Company has not purchased “key-man” insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

OFF-BALANCE SHEET ARRANGEMENTS, COMMITMENTS, AND CONTINGENCIES

As of the date of this MD&A, the Company has not engaged in any off-balance sheet arrangements, such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments, or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company. The Company has no commitments or contingencies.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there is no firm offer that may result in a material transaction being considered by the Company. The Company continues to evaluate offers and assets that it may acquire in the future.

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

| | For the three months ended March 31, 2024 | For the three months ended March 31, 2023 | For the nine months ended March 31, 2024 | For the nine months ended March 31, 2023 |
|---|---|---|--|--|
| | \$ | \$ | \$ | \$ |
| Salaries and benefits (Included in professional & consulting fees, and wages) | 25,000 | 60,497 | 75,000 | 140,342 |
| Consulting fees (Included in professional & consulting fees) | 101,070 | 128,294 | 330,071 | 267,982 |
| Share-based compensation | 80,100 | - | 141,380 | - |
| Total | 206,170 | 188,791 | 546,451 | 408,324 |

On August 30, 2023, David Wong has resigned as chairman and a director of Blockmate Ventures Inc. The remuneration discussed above includes the professional & consulting fees, and wages attributed to David Wong for the period until the date of resignation on August 30, 2023.

The due to directors and related parties in the statements of financial position is \$63 as of March 31, 2024 (June 30, 2023 - \$13,330).

As at March 31, 2024, the Company has \$181,613 (June 30, 2023 - \$302,015) outstanding accounts payable due to related parties. Out of these payables \$97,153 (June 30, 2023 - \$18,750) is due to a former director of the Company and a company the former director has control of.

During the six months ended, the company has granted 7,550,000 incentive stock options to certain directors, officers and consultants as share-based compensation of which 3,709,742 options have vested and are exercisable and have fair value of \$124,959.

During the nine months ended, the company has granted 2,520,000 RSUs to certain directors and officers of which 364,918 have vested and have fair value of \$16,421.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 | Nine months ended March 31, 2024 | Nine months ended March 31, 2023 | Year ended June 30, 2023 | Year ended June 30, 2022 |
|--|-----------------------------------|-----------------------------------|----------------------------------|----------------------------------|--------------------------|--------------------------|
| General and Administrative Expenses | | | | | | |
| | \$ | \$ | | | \$ | \$ |
| Amortization and depreciation | 14,301 | 5,931 | 32,252 | 18,268 | 23,750 | 108,909 |
| Filing and transfer fees | 23,769 | 10,676 | 63,905 | 50,951 | 65,785 | 24,365 |
| General and administrative expenses | 64,533 | 99,749 | 229,035 | 225,257 | 455,234 | 211,818 |
| Marketing | 17,446 | 56,459 | 82,449 | 122,996 | 187,518 | 134,729 |
| Professional and consulting fees | 391,840 | 222,965 | 872,446 | 498,643 | 708,556 | 771,806 |
| Rent | 29,407 | 40,356 | 59,105 | 80,743 | 111,572 | 67,059 |
| Software development and website costs | 45,243 | 47,561 | 65,135 | 95,751 | 125,888 | 233,898 |
| Share-based compensation | 63,679 | - | 124,959 | - | - | - |
| Salaries and benefits | 263,738 | 212,974 | 528,390 | 666,470 | 803,943 | 740,374 |
| Total | 913,956 | 696,671 | 2,057,676 | 1,759,079 | 2,482,246 | 2,292,958 |

| Other Items | Three months ended March 31, 2024 | Three months ended March 31, 2023 | Nine months ended March 31, 2024 | Nine months ended March 31, 2023 | Year ended June 30, 2023 | Year ended June 30, 2022 |
|---|--|--|---|---|---------------------------------|---------------------------------|
| | \$ | \$ | | | \$ | \$ |
| Foreign exchange loss / (gain) | (71) | (3,049) | 2,878 | (2,294) | (10,564) | (8,032) |
| Grant income | (145,369) | (835) | (146,214) | (3,183) | (3,229) | (29,949) |
| Interest income | (53,148) | (891) | (59,469) | (1,450) | (1,851) | (3,819) |
| Expense recovery | 1,209 | (13,526) | (1,238) | (13,526) | - | 88,633 |
| Impairment on intangibles | - | - | 377 | - | 5,709 | 253,157 |
| Premium on acquisition of subsidiary | - | - | - | 500,000 | 500,000 | 2,250,000 |
| Other income and loss | (2,475) | 1,090 | (208,516) | 1,090 | (1,282) | - |
| Gain on Debt settlement | 20,076 | - | 5,922 | - | - | - |
| Gain or Loss on disposition of subsidiary | (112,291) | - | (107,175) | - | - | - |
| Other income on debt forgiven | (49,246) | - | (49,246) | - | (63,825) | - |
| Total | (341,315) | (17,211) | (562,681) | 480,637 | 424,958 | 2,549,990 |

SUBSEQUENT EVENTS

Subsequent to the nine months ended March 31, 2024, the Company had the following events:

On April 26, 2024, Blockmate terminated the share purchase deal with Bess Power Innovation Corp. No funds were advanced to Bess in connection with the proposed acquisition, and the company has not assumed any continuing liabilities or obligations as a result of termination of the agreement.

CRITICAL ACCOUNTING ESTIMATES

As of March 31, 2024, there are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent audited financial statements as at and for the year ended June 30, 2023.

The determination as to the existence and measurement of any impairment requires management to make significant estimates and assumptions, which includes estimated future cash flows, discount rates and estimated useful life. These significant estimates and judgments could impact the Company's future results if the current estimates of future performance and fair value change. This could affect the amount of amortization expense and any impairment charges on intangible assets in future periods.