

BLOCKCHAINK2 CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1

FOR THE YEAR ENDED SEPTEMBER 30, 2024

May 9, 2025

Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2024. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

The Corporation is an early-stage technology company. The Corporation has limited financial resources, and there is no assurance that additional funding will be available to the Corporation to carry out the completion of all proposed activities. Although the Corporation has not yet obtained financing through the sale of equity securities, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

DESCRIPTION OF BUSINESS

The principal business of the Corporation was to explore natural resource properties. In early 2016, the Corporation ceased to operate in the resource sector and on November 23, 2017 it was announced that it is management's intention to complete a "Change of Business" transaction ("COB Transaction") pursuant to the policies of the TSX Venture Exchange, with the result that the Corporation will become a blockchain technology company, listed on the Exchange. On May 28, 2018, the Corporation completed its COB transaction and changed its name to BlockchainK2 Corp. and its stock symbol to BITK.

Following closing of the COB transaction, the Corporation's outstanding subscription receipts issued upon closing of the Corporation's concurrent non-brokered and brokered private placement financings, as described in the Corporation's news releases dated January 19, 2018 and April 4, 2018, automatically converted into an aggregate of 3,335,334 common shares in the capital of the Corporation and 1,667,667 common share purchase warrants. Each warrant entitles the holder to purchase one common share of the Corporation at an exercise price of \$2.00 per common share for 12 months from the date of issuance. Aggregate proceeds of \$4,169,168, which had been held in escrow in accordance with the terms of the subscription receipts, have been released to the Corporation.

The Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, PEI and Newfoundland and its shares are listed on the TSX Venture Exchange ("TSXV") under the symbol NFK. The Corporation was transferred to the NEX board in July 2015. On May 28, 2018, in connection with the closing of the COB transaction and the Corporation's name change, the Corporation changed its stock symbol to BITK.

The Corporation is currently operating as a holding company investing in blockchain technology solutions for capital markets and other sectors that can be made more efficient through tokenization. To date, the Corporation have had invested in three separate ventures: 1. Amplify Games Inc. ("Amplify"); 2. iRecover Inc. ("iRecover"); and 3. Envexergy Inc. (Envexergy). The Corporation also holds a 51% interest in Sobe Organics Inc. ("Sobe Organics"). Sobe Organics is an omni-channel platform that distributes a broad line of CBD infused products. It owns the CBD indie beauty brand, Lux Beauty Club, which sells online to subscription box retailers, distributors, specialty chains, and private label businesses. Amplify and iRecover were dissolved on February 26, 2024.

Effective August 3, 2018, the Corporation began trading on the U.S. OTC Market under the symbol BIDCF.

Effective February 19, 2021, the Corporation began trading on the Frankfurt Stock Exchange under the symbol KRL2.

On February 23, 2021, the Corporation incorporated a wholly owned subsidiary, iRecover, a company that offers online substance abuse education and support for middle, high school and college students. On February 26, 2024, the Corporation completed the dissolution of iRecover.

On March 1, 2021, the Corporation launched Amplify. Amplify utilizes blockchain technology to create a decentralized distribution network for digital games. On February 26, 2024, the Corporation completed the dissolution of Amplify. (See more details under heading **Amplify Games**)

As of the year ended September 30, 2023, Sobe Organics ceased operations and has the intention to proceed with dissolution. However, the dissolution process has not been completed as of date.

On February 26, 2024, the Corporation completed the dissolution of its wholly owned subsidiaries, Amplify and iRecover. As a result of the loss on control on Amplify, the Corporation derecognized all assets and liabilities at their book values on September 30, 2024 and wrote down all balances receivable from Amplify to \$Nil. During the year ended September 30, 2024, the Corporation recorded a gain of \$30,074 as a result of the dissolution of Amplify.

On April 9, 2024, the Corporation acquired approximately 99.3% of the issued and outstanding shares of Envexergy Inc., commonly referred to as RealBlocks and its wholly owned subsidiaries, RealBlocks Private Securities Inc. and RealBlocks Investment Advisors, Inc., in exchange for a cash consideration of US\$225,000. (See more details under heading **Acquisition of Envexergy**)

The address of the Corporation's main office is 400 - 837 West Hastings Street, Vancouver, BC V6C3N6.

RECENT EVENTS AND HIGHLIGHTS

On February 6, 2024, the Corporation closed its non-brokered private placement offering of 5,000,000 common shares at a price of \$0.105 per common share for aggregate gross proceeds of \$525,000.

On February 14, 2024, the Corporation engaged Aktiencheck.de AG, owned by Stefan Lindam, for 100,000 euros for a European marketing and news dissemination program. The program is expected to use Aktiencheck.de's website and other related websites, as well as Facebook, and will include social media engine and e-mail marketing. The campaign commenced in February 2024 for a three-month term. The engagement included no shares or options being issued to Aktiencheck.de or its principal.

On April 18, 2024, the Corporation closed its non-brokered private placement of 1,884,437 units at a price of \$0.265 per unit for aggregate gross proceeds of \$499,376. Each unit comprises one common share in the capital of the Corporation and one-half of one share purchase warrant. Each unit warrant is exercisable to acquire one additional share at an exercise price of \$0.40 per unit warrant share until April 18, 2026. The Corporation recorded the estimated fair value of warrants of \$135,623 to warrants reserve in the consolidated statements of financial position.

On April 9, 2024, the Corporation completed the acquisition of Envexergy Inc., commonly referred to as RealBlocks and its wholly owned subsidiaries, RealBlocks Private Securities Inc. and RealBlocks Investment Advisors, Inc.

On April 19, 2024, the Corporation signed a strategic partnership between RealBlocks and Bosonic Securities LLC. A memorandum of understanding (MOU) between the two companies provided a framework of a binding contract regarding the listing, trading, clearing and settlements of tokenized assets by RealBlocks on Bosonic's alternative trading system (ATS) and utilizing Bosonic's proprietary technology and infrastructure.

On June 7, 2024, the Corporation issued 1,703,571 common shares with a fair value of \$434,411 to directors of the Corporation to settle outstanding debt of \$404,427 to loans payable and \$106,643 to accounts payable for a total of \$511,070. The Corporation recorded the gain on settlement of loan of \$60,664 in contributed surplus and the gain on settlement of accounts payable of \$15,997 in the statement of comprehensive loss.

SOBE ORGANICS

Sobe Organics is a private beauty, health and wellness company that sells health and beauty products nationwide in the United States independent stores, including resorts, spas, pharmacies, salons, hotel chains, and department stores.

During the year ended September 30, 2024, Sobe Organics contributed a net loss of \$13,960 (2023 - \$32,166) to the Corporation's consolidated results.

As of the year ended September 30, 2023, Sobe Organics ceased operations and has the intention to proceed with dissolution. However, the dissolution process has not been completed as of date.

AMPLIFY GAMES

On March 1, 2021, the Corporation launched Amplify Games Inc. (“Amplify Games”). Amplify Games utilizes blockchain technology to create a decentralized distribution network for digital games.

On March 4, 2021, Amplify Games announced alliance with Se7enSins gaming community which will be part of the first gaming sites to launch on the Amplify storefront. Se7enSins will receive a portion of every sale made on its white-labelled Amplify storefront, greatly increasing their potential revenue from their site.

On March 8, 2021, Amplify Games announced alliance with Leaptrade Marketplace (“Leaptrade”). Leaptrade will bring a robust marketplace to the Amplify network that allows its members to buy and sell everything from retro physical game disc/cartridges to digital game keys and non-fungible tokens (NFTs).

On March 11, 2021, Amplify Games joined the largest association of companies promoting blockchain and non-fungible tokens within the gaming industry; the BGA or Blockchain Game Alliance. Amplify Games' inclusion into the BGA will enable new partnerships with blockchain technologies companies and inclusion of new game titles on the Amplify platform through relationships with game studio members.

On March 15, 2021, Amplify Games joined as a partner in the largest association of game developers in the gaming industry, the International Game Developers Association (IGDA). Amplify Games' inclusion into the IGDA, participating with other IGDA partners and exposure to its 30,000 members will accelerate adoption of the Amplify platform in the indie gaming market, helping game developers reach the next level of success for their games and careers.

On May 17, 2021, Amplify Games announced that Teravision Games joined the Amplify alliance to provide vital developer guidance as Amplify continues to build its coming gaming technology platform.

On June 1, 2021, Amplify Games has officially partnered with The Amplifier Group, a strategic communications consultancy focused exclusively on interactive entertainment.

On June 7, 2021, Amplify Games welcomed Santiago Zapata (aka slashie), a games industry veteran developer and leader for the roguelike community, to its industry alliance.

On July 15, 2021, Amplify Games also welcomed Rupert Ochsner, chief executive officer of Bonus Level Entertainment, to the Amplify alliance.

The fast-growing Amplify alliance is an advisory counsel of worldwide developers with first-hand experience in the games industry. This diverse and talented group will provide invaluable guidance to Amplify Games as it continues to build its gaming technology platform, which will provide much-desired resources to game developers and content creators.

In May 2022, Amplify Games launched the public beta of its new class-leading gaming marketplace, Arkade. The Arkade marketplace will not only be a place where gamers can come to buy and sell their games, but it will be a safe and trusted community where they can engage with the crypto and NFT side of gaming as that space evolves over time and becomes mainstream.

In June 2022, new group of game stores were onboarded to the platform, as well as sale and trading of physical games. The addition of physical game sales further adds to the breadth of offerings available on the Arkade marketplace, bringing in not only millions of gamers that want to buy, sell and trade in their physical games, but also enabling local game stores to better monetize their presence online and increase engagement in their brick-and-mortar stores.

On February 26, 2024, the Corporation completed the dissolution of its wholly owned subsidiaries, Amplify and iRecover. As a result of dissolution, the Corporation derecognized all assets and liabilities at their book values and wrote down all balances receivable from Amplify to \$Nil. During the year ended September 30, 2024, the Corporation recorded a gain of \$30,074 as a result of the dissolution of Amplify.

ACQUISITION OF ENVEXERGY

On April 9, 2024, pursuant to the Corporation's purchase of 1,001,730,300 common shares of Envexergy for a cash consideration of \$305,505 (US\$225,000), an acquisition resulting in the Corporation owning an equivalent to 99.34% of the equity interest in Envexergy. The Corporation determined that the acquisition was completed on the date the shares certificates were received, being April 9, 2024. As a result, Envexergy became a subsidiary of the Corporation together with its wholly owned subsidiaries, RealBlocks Private Securities Inc. and RealBlocks Investment Advisors, Inc.

Envexergy Inc. (doing business as RealBlocks), founded in 2017 in New York City, built an alternative investment experience for fund managers and their investors worldwide through its online platform. RealBlocks used advanced technology to offer a fully digital, white-label solution for today's fund managers wishing to expand their firm's investor base by allowing them to offer more funds in more locations with lower investor minimums.

The transaction was accounted for as a business combination under IFRS 3, *Business Combinations*. At the date of acquisition, the Corporation determined the fair value of the net identifiable liabilities of Envexergy and recognized an intangible asset of \$nil and goodwill of \$482,518.

The fair value of the total consideration has been allocated as below:

Cash consideration	\$	305,505
Fair value of assets and liabilities acquired:		
Cash	\$	33,783
Trade and other receivables		248,963
Prepaid expenses		53,060
Investment		116,942
Trade and other payables		(533,868)
Due to BlockchainK2		(97,069)
Total net liabilities		(178,189)
Percentage acquired		99.34%
Net liabilities acquired		(177,013)
Non-controlling interest		(1,176)
Goodwill	\$	482,518

At the date of acquisition Envexergy had 654,390 options outstanding. The Corporation used the Black Scholes Option Pricing Model to determine the fair value of \$Nil using the following assumptions: Estimated risk-free rate – 4.47%, Expected volatility – 50%, Estimated annual dividend yield – 0.00%, Expected life of options – 2 to 6 years, Stock price at issue date - US\$0.00022, Forfeiture rate – 0.00%.

During the year ended September 30, 2024, the acquired business contributed \$284,614 in revenue and a net loss of \$508,900 to the Corporation's consolidated results.

Subsequent to the year ended September 30, 2024, the contract with Envexergy's main customer from which it derived its revenue was terminated and there is no assurance that it will continue to generate revenue in the near future. Therefore, the Corporation determined that goodwill was impaired as of September 30, 2024 and recorded an impairment loss of \$482,518 in the statement of comprehensive loss related to the carrying value of goodwill.

Since 2017, RealBlocks has been using technology to provide its clients with easier access to alternative investment options. The firm positions its platform as "Global Infrastructure as a Service for Investment Capital" to alternative investment funds spanning private equity and credit across: real estate, venture capital, buyout, infrastructure, timber, farmland and hedge funds represent over \$9.5 Trillion in AUM globally. The startup, aimed at institutional investors, family offices, financial intermediaries and alternative investment managers, connects investors with investment strategies that have enhanced liquidity levels and simplified administration, otherwise known as Open Alts. Real

Estate and alternative investment fund managers can use the firm's technology and feeder fund solutions to multiply revenue streams and offer their customers more diversified products on a global scale.

RealBlocks www.realblocks.com firm positions its platform as "Global Infrastructure as a Service for Investment Capital" to alternative investment funds spanning private equity and credit across: real estate, venture capital, buyout, infrastructure, timber, farmland and hedge funds, which represents over \$10 trillion in AUM globally. RealBlocks is primarily focused on real estate asset managers given the strong demand for real estate product by institutional and HNW investors globally. The firm is also offering a la carte components including automated on-boarding and secondary trading. RealBlocks is the sole international distribution partner for a large US real estate asset manager. RealBlocks operates on three revenue streams: 1) an upfront one-time set up fee, 2) an Asset under Management (AUM) fee and 3) secondary market listing fees. Differentiating Factors: Key advantages include, but are not limited to: 1) connectivity to a large, global universe of placement agents and third party marketers for capital raising, 2) fully integrated, tech-enabled secondary trading, 3) turnkey technology enhanced feeder funds allowing for rapid implementation to expand managers' global distribution capabilities. RealBlocks provides Lasalle Investment Management Global Institutional Onboarding of entire \$77B business.

INVESTMENTS

Balance, September 30, 2022	\$	1,284,346
Change in fair value		(179,762)
Balance, September 30, 2023		1,104,584
Impairment		(1,104,584)
Assumed on acquisition		116,942
Redemption of shares for cash		(46,499)
Change in fair value		(2,881)
Foreign exchange adjustment		(645)
Balance, September 30, 2024	\$	66,917

Investment in Envexergy inc.

In October 2020, the Corporation invested \$265,840 (US\$200,000) in Envexergy as part of Envexergy's US\$7 million Series A round of financing. The Corporation's investment allows it to maintain its pro rate share of Envexergy and adds to its previous \$654,350 (US\$500,000) investment in Envexergy, which was completed in July of 2019 as part of a US\$3.1-million seed round of financing by Envexergy.

As at September 30, 2023, the fair value of the investment (223,580 shares of Envexergy) was calculated to be \$1,104,584 (US\$817,000), applying the market approach of valuation. The Corporation estimated the fair value of Envexergy, as a going concern, mainly on the basis of observable arm's length transactions in Envexergy's shares between its shareholders.

Valuation Techniques

The valuation model is based on weighting of the three methods of the market approach: a) 90% weighting on prior transactions adjusted for market change of 5.5% increase; b) 5% weighting on comparable public companies; and c) 5% weighting on transaction in comparable companies.

Quantitative impact/Sensitivity

The higher the market change assumption, the higher the fair value of the investment. A 1% change in market change assumption will result in a change of \$8,000 to the investment.

During the year ended September 30, 2024, the Corporation purchased 1,001,730,300 common shares in Envexergy for a consideration of \$305,505 (US\$225,000), an acquisition resulting in the Corporation having an equivalent to 99.34% of the equity interest in Envexergy. Prior to the acquisition, the Corporation had an investment in Envexergy with a value of \$1,104,584, which was written down to fair value of \$Nil at the date of acquisition.

Investment in Starwood Real Estate Income Trust, Inc. (“SREIT”)

In September 2022, Envexergy purchased 3,643 shares of SREIT for \$131,792 (US\$100,100). In connection with the acquisition of Envexergy, the Corporation acquired this investment to SREIT with a market value of \$116,942 (US\$86,126).

During the year ended September 30, 2024, the Corporation redeemed 1,499 shares of SREIT for cash proceeds of \$46,499 (US\$34,446) and recognized an unrealized loss of \$2,881 in the consolidated statements of comprehensive loss. The Corporation also received dividend income of \$1,786 from this investment.

SELECTED ANNUAL INFORMATION

The following table sets forth selected consolidated information of the Corporation at September 30 for each of the three most recently completed financial years prepared in accordance with IFRS. The selected consolidated financial information should be read in conjunction with the Audited Consolidated Financial Statements of the Corporation.

	September 30, 2024 (audited)	September 30, 2023 (audited)	September 30, 2022 (audited)
	\$	\$	\$
Revenue	284,614	31,902	73,183
Net loss attributable to owners of the parent	(2,744,710)	(316,136)	(1,081,363)
Net loss attributable to owners of the parent - per share, basic and fully diluted	(0.11)	(0.02)	(0.06)
Total assets	496,112	1,161,747	1,353,634
Total non-current liabilities	70,499	74,026	80,320
Working capital deficit	(778,284)	(732,780)	(819,238)

RESULTS OF OPERATIONS

Year ended September 30, 2024

Net loss

The net loss for the year ended September 30, 2024 of \$2,744,710 (\$0.11 per share) compared to \$331,897 (\$0.02 per share) for the year ended September 30, 2023, representing an increase in net loss of \$2,412,813. The increase in net loss was mainly attributable to the increase in operating expenses and impairment loss recorded during the current year.

During the year ended September 30, 2024, the Corporation recorded loss from change in fair value of investment of \$2,881 (2023 - \$179,762), dividend income of \$1,786 (2023 - \$Nil), gain on debt settlement of \$15,997 (2023 - \$Nil), gain on dissolution of subsidiary of \$30,074 (2023 - \$Nil), impairment loss of \$1,587,102 (2023 - \$Nil), interest and accretion of \$24,024 (2023 - \$57,106), and gain from write-off of accounts payable of \$61,472 (2023 - \$244,569).

During the year ended September 30, 2024, the acquired business, Envexergy inc., contributed \$284,614 in revenue and a net loss of \$508,900 to the Corporation’s consolidated results.

Expenses

The expenses for the year ended September 30, 2024 of \$1,490,685 compared to \$351,405 for the year ended September 30, 2023, representing an increase of \$1,139,280. The increase in expenses was mainly attributable to the increase in advertising and promotion to \$209,203 from \$12,046 in 2023 due to increased promotional activities for the Corporation's services, increase in bad debt expense to \$1,108 from \$Nil in 2023 in relation to receivable amounts that was deemed to be non-recoverable due to planned dissolution of Sobe, increase in business development to \$2,515 from \$Nil in 2023 due to acquisition of Envexergy Inc., increase in consulting fees to \$191,183 from \$40,200 in 2023 due to higher fees paid or accrued to consultants in the current year, increase in directors' fees to \$163,065 from \$161,919 in 2023 due to higher fees paid or accrued to directors of the Corporation in the current year, increase in filing and listing fees to \$62,910 from \$31,087 in 2023 due to increased acquisitions and business expansion activities, decrease in foreign exchange gain to \$ 2,647 from \$3,852 in 2023, increase in general and administrative expenses to \$144,738 from \$25,096 in 2023 due to higher corporate activities in the current year, increase in investor relations to \$38,749 from \$8,172 in 2023 due to increased capital activities in the current year, increase in professional fees to \$350,848 from \$71,125 in 2023 due to increased legal and professional fees incurred in the current year in connection with the acquisition of subsidiary, increase in salaries to \$329,013 from \$57 in 2023 mainly attributable to higher fees were paid or accrued to officers in the current year and decrease in selling expenses to \$Nil from \$5,555 in 2023. The increase in expenses was mainly due to higher corporate expenses in the current year in comparison to the costs incurred in the previous fiscal year in relation to its business acquisitions and expansion activities.

During the year ended September 30, 2024, Envexergy Inc. contributed expenses of \$819,930 (2023 - \$Nil) to the Corporation's consolidated results.

Segmented disclosure

The Corporation operates their business in the following segments:

- Investing in blockchain technology solutions for capital markets and other sectors;
- Sale of health and beauty products – operated by Sobe Organics;
- Digital game distribution – operated by Amplify;
- Addiction recovery platform services – operated by iRecover; and
- Investment platform and advisory services – operated by Envexergy

Revenues for the years ended September 30, 2024 and 2023 as follows:

	Investment platform and advisory services		Health and beauty products		Total
For the year ended September 30, 2024					
Sales	\$	284,614	\$	-	\$ 284,614
Cost of sales		(33,961)		-	(33,961)
Gross profit	\$	250,653	\$	-	\$ 250,653
For the year ended September 30, 2023					
Sales	\$	-	\$	31,902	\$ 31,902
Cost of sales		-		(12,663)	(12,663)
Gross profit	\$	-	\$	19,239	\$ 19,239

All revenue during the years ended September 30, 2024 and 2023 were derived from customers in the United States.

100% of the revenue during the year ended September 30, 2024 is derived from Envexergy's platform sales, while the revenue during the year ended September 30, 2023 was derived from Sobe Organics' website sales.

SELECTED QUARTERLY INFORMATION

Quarter ended	Sept. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023
	\$	\$	\$	\$
Revenue	141,863	142,751	-	-
Net loss	(736,111)	(625,827)	(1,319,591)	(63,181)
Net loss per share	(0.02)	(0.03)	(0.05)	(0.00)
Net loss attributable to owners of the parent	(732,340)	(621,623)	(1,318,491)	(62,058)
Net loss attributable to owners of the parent - per share, basic and fully diluted	(0.02)	(0.03)	(0.05)	(0.00)
Working capital deficit	(778,284)	(706,741)	(630,348)	(797,188)

Quarter ended	Sept. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022
	\$	\$	\$	\$
Revenue	760	7,607	9,423	14,112
Net income (loss)	(218,272)	(78,806)	137,208	(172,027)
Net income (loss) per share	(0.01)	(0.00)	0.01	(0.01)
Net income (loss) attributable to owners of the parent	(216,743)	(74,485)	141,349	(166,257)
Net income (loss) attributable to owners of the parent - per share, basic and fully diluted	(0.01)	(0.00)	0.01	(0.01)
Working capital deficit	(732,780)	(686,137)	(849,588)	(987,204)

The above noted financial data should be read in conjunction with the consolidated financial statements for the year ended September 30, 2024.

Fiscal 2024

During the fourth quarter of fiscal 2024, the Corporation recorded a loss of \$736,111 compared to a loss of \$625,827 in the third quarter of fiscal 2024. The change is mainly due to higher impairment loss, offset by lower corporate expenses during the fourth quarter.

During the third quarter of fiscal 2024, the Corporation recorded a loss of \$625,827 compared to a loss of \$1,319,591 in the second quarter of fiscal 2024. The change is mainly due to no impairment loss recognized during the third quarter.

During the second quarter of fiscal 2024, the Corporation recorded a loss of \$1,319,591 compared to a loss of \$63,181 in the first quarter of fiscal 2024. The change is mainly due to impairment loss recognized during the second quarter.

During the first quarter of fiscal 2024, the Corporation recorded a loss of \$63,181 compared to a loss of \$218,272 in the fourth quarter of fiscal 2023. The change is mainly due to lower corporate expenses and no revenue during the first quarter.

Fiscal 2023

During the fourth quarter of fiscal 2023, the Corporation recorded a loss of \$218,272 compared to a loss of \$78,806 in the third quarter of fiscal 2023. The change is mainly due to higher corporate expenses incurred during the fourth quarter.

During the third quarter of fiscal 2023, the Corporation recorded a loss of \$78,806 compared to an income of \$137,208 in the second quarter of fiscal 2023. The change is mainly due to no gain or other income recognized during the third quarter.

During the second quarter of fiscal 2023, the Corporation recorded an income of \$137,208 compared to a loss of \$172,027 in the first quarter of fiscal 2023. The change is mainly due to gain from write-off of accounts payable recognized during the second quarter.

During the first quarter of fiscal 2023, the Corporation recorded a loss of \$172,027 compared to a loss of \$154,561 in the fourth quarter of fiscal 2022. The change is mainly due to gain from changes in fair value of assets and liabilities during the fourth quarter.

NON-CONTROLLING INTEREST

As at September 30, 2024, the carrying value of non-controlling interest ("NCI") was (\$48,531) (2023 - (\$43,471)) which was determined as follows:

	Sobe Organics	Envexergy	Total
Balance, September 30, 2022	\$ (28,051)	\$ -	\$ (28,051)
Loss allocated to NCI	(15,761)	-	(15,761)
Gain on translation allocated to NCI	341	-	341
Balance, September 30, 2023	(43,471)	-	(43,471)
NCI recognized upon acquisition	-	1,176	1,176
Loss allocated to NCI	(6,840)	(3,358)	(10,198)
Gain on translation allocated to NCI	3,914	48	3,962
Balance, September 30, 2024	\$ (46,397)	\$ (2,134)	\$ (48,531)

REVENUE AND GEOGRAPHIC INFORMATION

Revenues consist of revenues from Sobe Organics and Envexergy, the Corporation's subsidiaries. During the year ended September 30, 2024 and 2023, 100% of revenues were earned from United States.

As Sobe Organics ceased its operation as of the year ended September 30, 2023, it no longer generated revenues.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2024, the Corporation had a working capital deficit of \$778,284 which compares to a working capital deficit of \$732,780 as at September 30, 2023.

On July 10, 2023, the Corporation closed its non-brokered private placement offering of 4,545,452 common shares at a price of \$0.055 per common share for aggregate gross proceeds of \$250,000.

On February 6, 2024, the Corporation closed its non-brokered private placement offering of 5,000,000 common shares at a price of \$0.105 per common share for aggregate gross proceeds of \$525,000.

On April 18, 2024, the Corporation closed its non-brokered private placement of 1,884,437 units at a price of \$0.265 per unit for aggregate gross proceeds of \$499,376. Each unit comprises one common share in the capital of the Corporation and one-half of one share purchase warrant. Each unit warrant is exercisable to acquire one additional

share at an exercise price of \$0.40 per unit warrant share until April 18, 2026. The Corporation recorded the estimated fair value of warrants of \$135,623 to warrants reserve in the consolidated statements of financial position.

On June 7, 2024, the Corporation issued 1,703,571 common shares with a fair value of \$434,411 to directors of the Corporation to settle outstanding debt of \$404,427 to loans payable and \$106,643 to accounts payable for a total of \$511,070. The Corporation recorded the gain on settlement of loan of \$60,664 in contributed surplus and the gain on settlement of accounts payable of \$15,997 in the statement of comprehensive loss.

On July 19, 2024, the Corporation issued 359,156 common shares for gross proceeds of \$143,663 on the exercise of warrants at \$0.40 per share and \$51,697 were transferred from contributed surplus to share capital.

On September 5, 2024, the Corporation issued 50,000 common shares for gross proceeds of \$20,000 on the exercise of warrants at \$0.40 per share and \$7,197 were transferred from contributed surplus to share capital.

KEY MANAGEMENT COMPENSATION AND TRANSACTIONS WITH RELATED PARTIES

Key management consists of directors and officers.

The following is a summary of the related party transactions that occurred throughout the years ended September 30, 2024 and 2023:

- a.) During the year ended September 30, 2024, the Corporation incurred directors' fees of \$163,065 (2023 - \$161,919) to a current director of the Corporation.
- b.) During the year ended September 30, 2024, the Corporation incurred consulting fees of \$36,000 and professional fees of \$Nil (2023 - \$36,000 and \$12,000, respectively) to a company controlled by the CFO of the Corporation.
- c.) During the year ended September 30, 2024, the Corporation incurred salaries of \$156,612 (2023 - \$Nil) to a former director of the Corporation.
- d.) As at September 30, 2024, included in the accounts payable and accrued liabilities, the Corporation has \$425,042 (2023 - \$286,815) due to related parties as a result of related party transactions incurred throughout the period. These amounts are due on demand, unsecured and non-interest bearing.
- e.) On June 7, 2024, the Corporation issued 355,482 common shares to settle \$106,645 owing to a director and officer of the Corporation and recorded the gain on debt settlement of \$15,997 in the statement of comprehensive loss.
- f.) The CEO of the corporation subscribed for 1,333,333 common shares and a director of the Corporation subscribed for 476,190 common shares in the private placements closed on February 6, 2024 for a total fair value of \$190,000.
- g.) The CEO of the Corporation subscribed for 553,388 common shares in the private placements closed on April 18, 2024 for a fair value of \$146,648.
- h.) During the year ended September 30, 2024, the Corporation issued 1,348,089 common shares in full settlement of the outstanding loan of \$404,427 owing to a director of the Corporation and recorded the gain on debt settlement of \$60,664 in contributed surplus. As at September 30, 2024, loans payable includes \$Nil (2023 - \$393,255) owing to a director.

Compensation of key management personnel

Year ended September 30,		2024		2023
Directors', accounting and consulting fees, and salaries	\$	355,677	\$	209,919

MANAGEMENT CHANGES

On December 15, 2022, John Lema resigned from the board of directors.

On May 25, 2023, the Corporation appointed Robert Jarva to the board of directors.

On July 17, 2023, the Corporation appointed Balazs Veszpremi to the board of directors.

On May 2, 2024, the Corporation appointed Scott Brooks III as Chief Executive Officer of RealBlocks and as a director of the Corporation. Mr. Brooks replaces Balazs Veszpremi who resigned as a director for the Corporation.

On August 23, 2024, Scott Brooks III resigned as Chief Executive Officer of RealBlocks and as a director of the Corporation.

As of the date of this MD&A, the Corporation's management now consists of Sergei Stetsenko as Chief Executive Officer and director, Yuying Liang as Chief Financial Officer and corporate secretary, Steven Sangha and Robert Jarva as directors.

SUBSEQUENT EVENTS

On January 16, 2025, the Corporation received \$100,000 loan from a third party bearing interest 1% monthly and payable within three months. As of May 9, 2025, the loan remains outstanding.

ACCOUNTING POLICIES

The consolidated financial statements and related MD&A have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets recorded on the date of transition. The consolidated financial statements have been prepared on a going concern basis.

A summary of the Corporations material accounting policies under IFRS is presented in Note 3 – “Material accounting policies” in the Corporation's consolidated financial statements for the year ended September 30, 2024.

Items included in the financial statements of the Corporation and its subsidiaries are measured using the currency of the primary economic environment in which the Corporation operates (the “functional currency”). The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

CRITICAL ACCOUNTING ESTIMATES

The Corporation has made estimates and assumptions regarding certain assets, liabilities, and expenses in the preparation of the consolidated financial statements. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Accounting estimates

a.) Share-based payments

The Corporation has made various assumptions in estimating the fair values of the common stock options and warrants granted including expected volatility, expected exercise behavior and future forfeiture rates. Any

changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of shareholders' equity.

Accounting judgments

a.) Deferred taxes

Tax interpretations, regulations and legislation are subject to change and as such income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Actual results may differ from these estimates due to, among other factors, future changes in business environment, currently unknown changes in income tax legislation, or results from the final review of tax returns by tax authorities.

b.) Going concern assessment

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Corporation's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for the consolidated financial statements, then adjustments to the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position would be necessary, and such adjustments could be material.

c.) Business combinations

Judgement is required to determine if the Corporation's acquisitions represent a business combination or an asset acquisition. For acquisitions accounted as business combination, goodwill was recognized on the transactions and acquisition costs were expensed. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets acquired and liabilities incurred or assumed.

During the year ended September 30, 2024, management concluded that the acquisition of Envexergy Inc. represent a business combination. For acquisitions representing asset acquisition, goodwill is recognized on the transactions and acquisition costs are capitalized to the assets purchased. An allocation of the purchase price to the individual identifiable assets acquired, including intangible assets, and liabilities assumed based on their fair values at the date of purchase is required. The fair values of the net assets acquired was calculated using significant estimates and judgments. If estimates or judgments differed, this could result in a materially different allocation of net assets on the consolidated statement of financial position.

FINANCIAL INSTRUMENTS

As at September 30, 2024, the Corporation's financial instruments are cash, receivables, investments, accounts payables and loans payable. The amounts reflected in the balance sheet for these financial instruments approximate their fair values due to the short-term nature and negligible credit losses.

The Corporation does not use derivative instruments or hedges to manage risks because the Corporation's exposure to credit risk, interest rate risk and currency risk is not considered significant.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has not engaged in any off-balance sheet arrangements.

DISCLOSURE OF OUTSTANDING SHARE DATA

Authorized and Issued Share Capital

The following is outstanding as of May 9, 2025:

Class	Par Value	Authorized	Issued
Common	Nil	Unlimited	30,323,578
Preferred	Nil	Unlimited	Nil

Description of Options and Warrants Outstanding

The following is outstanding as of May 9, 2025:

Security Type	Number	Exercise Price	Expiry Date
Options	217,040	\$0.52	November 8, 2027
Options	167,766	\$0.25	June 15, 2028
Options	700,000	\$0.77	January 7, 2031
Warrants	533,062	\$0.40	April 14, 2026

Envexergy options outstanding as of May 9, 2025 are as follows:

Number	Exercise Price (USD)	Expiry Date
23,058	\$0.68	May 5, 2026
49,517	\$0.81	August 26, 2027
17,713	\$1.43	November 12, 2028
30,005	\$1.52	October 11, 2029
53,146	\$1.52	March 6, 2030

FORWARD-LOOKING STATEMENTS

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Corporation. All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar and U.S. dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States or other countries in which the Corporation carries or may carry on business in the future. Many of these uncertainties and contingencies can affect the Corporation’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Corporation. Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. Specific reference is made to the “Risk and Uncertainties” section of these MD&A for a discussion of some of the factors underlying forward-looking statements. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

RISK FACTORS

In the normal course of business, the Corporation is exposed to various business risks and uncertainties that can have an effect on the Corporation's results of operations, financial position, or liquidity. While some exposures may be reduced by the Corporation's risk management strategies, many risks are driven by external factors beyond the Corporation's control or are of a nature which cannot be eliminated. The following is a discussion of key areas of business risks and uncertainties.

The Corporation

The Corporation is in the early stage of development and must be considered a start-up. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying any dividends in the near future.

The Corporation will have limited financial resources and there is no assurance that additional funding will be available to it for further development of its business or to fulfil its obligations under any applicable agreements.

As certain of the officers and directors of the Corporation are directors, officers or shareholders of other companies, there are potential conflicts of interest to which the officers and directors of the Corporation may be subject to from time to time, in connection with the operations of the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the Business Corporation Act (Alberta).

The Corporation may need additional financing to continue in business and there can be no assurance that such financing will be available or, if available, will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Corporation may change and investors may suffer additional dilution. To the extent financing is not available, business opportunities and potential acquisitions could be lost for the Corporation.

Liquidity

Disruptions in the financial markets or deterioration of the Corporation's credit ratings could hinder the Corporation's access to external sources of funding to meet its liquidity needs. There can be no assurance that changes in the financial markets will not have a negative effect on the Corporation's liquidity and its access to capital at acceptable rates.

Risks from Acquisitions, Strategic Alliances and Joint Ventures

The Corporation may pursue acquisitions, strategic alliances and joint ventures. The ability of the Corporation to complete acquisitions, strategic alliances and joint ventures is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, acquisitions, strategic alliances and joint ventures involve risks that could adversely affect the Corporation's results of operations, including the management time that may be diverted from operations in order to pursue and complete such transactions and, difficulties in the case of acquisitions, integrating and managing the additional operations and personnel of acquired businesses. There can be no assurance that the Corporation will be able to obtain the capital necessary to consummate acquisitions, strategic alliances or joint ventures on satisfactory terms, if at all. Future acquisitions, strategic alliances or joint ventures could result in the incurrence of additional debt, costs and contingent liabilities, all of which could materially adversely affect the Corporation.

The Corporation is planning to change its business to digital currency mining and block chain software businesses. There is no assurance that the Corporation will receive requisite regulatory, exchange and shareholder approvals. In the event that the Corporation is able to change its business to technology and block chain businesses, such businesses are inherently early stage, unproven, volatile and subject to risks including regulatory, technological and financing.

Dependence on Key Personnel

The success of the Corporation will depend, to a significant extent, upon the efforts and abilities of its senior management team. The loss of any management, or the inability to attract and retain additional skilled management, could have a material adverse effect on the business, operating results and financial condition of the Corporation.

Global Financial Conditions

Global financial conditions may be subject to high volatility which could result, as they have in the past, in numerous commercial and financial enterprises either going into bankruptcy or creditor protection or having had to be rescued by governmental authorities. In recent years, access to public financing has been negatively impacted by sub-prime mortgage defaults in the United States, the liquidity crisis affecting the asset-backed commercial paper and collateralized debt obligation markets, massive investment losses by banks with resultant recapitalization efforts and a deterioration in the global economy. More recently, the European debt crisis has affected equity investor sentiment and, if it worsens, could also affect worldwide credit markets, which might impact the Corporation.

Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions can cause the broader credit markets to further deteriorate and stock markets to decline substantially. Banks have been adversely affected by the worldwide economic crisis and have somewhat curtailed existing liquidity lines, increased pricing and introduced new and tighter borrowing restrictions to corporate borrowers, with limited access to new facilities or for new borrowers. These factors, if they were to reoccur, could negatively impact the Corporation's ability to access liquidity needed for the Corporation's business in the longer term. These factors may impact the Corporation's future ability to obtain equity, debt or bank financing on terms favourable to the Corporation, or at all. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses.

Potential Volatility of Share Price

The market price of the common shares of the Corporation may be volatile and could be subject to wide fluctuations due to a number of factors, including but not limited to: actual or anticipated fluctuations in the Corporation's results of operations; changes in estimates of the Corporation's future results of operations by management or securities analysts; introduction of new products or services by the Corporation or its competitors; and general industry changes. In addition, the financial markets have in the past experienced significant price and value fluctuations that have particularly affected the market prices of equity securities of many venture issuers and that sometimes have been unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally, may adversely affect the market price of the shares.

Tax Considerations

The return on an investment in common shares of the Corporation will be subject to changes in federal and provincial tax laws. There can be no assurance that the income tax legislation in Canada will not be amended so as to fundamentally alter the tax consequences of holding or disposing of the common shares.

Legal or Regulatory Proceedings

Although the Corporation is not currently a party to any material legal or regulatory proceedings, legal or regulatory proceedings could be filed against the Corporation in the future. No assurance can be given as to the final outcome of any legal or regulatory proceedings or that the ultimate resolution of any legal or regulatory proceedings will not have a material adverse effect on the Corporation.

Additional Information

Additional information is available on SEDAR at www.sedarplus.ca