

**ADRIANNA VENTURES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE THREE MONTHS ENDED JUNE 30, 2025**

Dated: August 28, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Adrianna Ventures Ltd. (the "Company" or "Adrianna") for the three months ended June 30, 2024. Throughout this MD&A, unless otherwise specified, "Adrianna", and "Company", refer to Adrianna Ventures Ltd. This MD&A should be read in conjunction with the audited financial statements as at and for the year ended March 31, 2025, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), together with the unaudited condensed interim financial statements as at and for the three months ended June 30, 2025, which were prepared in accordance with IFRS and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting (collectively referred to as the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward looking statements include but are not limited to statements concerning:

- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity;
- The Company's success at completing future financings;
- The Company's strategies and objectives;
- General business and economic conditions;
- The Company's ability to meet its financial obligations as they become due;
- The positive cash flows and financial viability of new business opportunities;
- The Company's ability to manage growth with respect to a new business opportunity; and

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- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company.

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by these forward looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

CORPORATE OVERVIEW AND OUTLOOK

On May 1, 2025, the Company entered into a definitive agreement with xTAO Inc. ("xTAO"), a company whose core business in the operation of a validator on the Bittensor network, pursuant to which the Company and xTAO proposed to complete a business combination transaction to facilitate a listing on the TSX Venture Exchange (the "Exchange") by the resulting issuer (the "Resulting Issuer").

On May 12, 2025, the Company continued from British Columbia under the *Business Corporations Act* (British Columbia) into the jurisdiction of the Cayman Islands under the Cayman's Companies Law (2025 Revision).

On July 10, 2025, Adrianna and xTAO merged. The surviving entity to the merger maintained the name xTAO Inc.

Pursuant to the merger, (i) all Adrianna shareholders who would have held twenty-five or fewer Resulting Issuer Shares immediately subsequent to the merger had their Adrianna shares redeemed by the Resulting Issuer at an equivalent price of US\$1 per Resulting Issuer Share; and (ii) all remaining Adrianna shares outstanding as of closing of the merger were exchanged for an aggregate of 540,000 Resulting Issuer shares.

The new registered and records office of the Company in the Cayman Islands is at Fifth Floor, Zephyr House, 122 Mary Street, George Town, P.O. Box 31493, Grand Cayman, KY1-1206, Cayman Islands.

On July 22, 2025, xTAO commenced trading on the Exchange under the trading symbol "XTAO.U".

SELECTED ANNUAL INFORMATION¹

	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss and comprehensive loss:			
(i) total for the year	\$(181,896)	\$(156,404)	\$(159,291)
(ii) per share-basic and fully diluted	\$(0.01)	\$(0.01)	\$(0.01)
Total assets	\$537	\$15,173	\$10,652
Total current liabilities	\$486,793	\$319,533	\$158,608
Total long-term financial liabilities	\$Nil	\$Nil	\$Nil

¹ Audited financial information prepared in accordance with International Financial Reporting Standards ("IFRS")

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SUMMARY OF QUARTERLY RESULTS¹

	For the three months ended June 30, 2025	For the three months ended March 31, 2025	For the three months ended December 31, 2024	For the three months ended September 30, 2024
	\$	\$	\$	\$
Revenue	-	-	-	-
Loss for the period	(63,984)	(66,233)	(36,310)	(40,764)
Basic/diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
	For the three months ended June 30, 2024	For the three months ended March 31, 2024	For the three months ended December 31, 2023	For the three months ended September 30, 2023
	\$	\$	\$	\$
Revenue	-	-	-	-
Loss for the period	(38,589)	(47,435)	(35,686)	(38,016)
Basic/diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

¹ Unaudited financial information prepared in accordance with IFRS

**RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2025
COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2024**

Administration and bank charges for the three months ended June 30, 2025 were \$23, compared to \$19 for the three months ended June 30, 2024. These charges were for the maintenance of the bank account.

Filing fees expense for the three months ended June 30, 2025 were \$6,979, compared to \$nil for the three months ended June 30, 2024. These charges are for annual SEDAR filing fees, as well as fees related to the xTAO transaction.

Finance expense for the three months ended June 30, 2025 was \$182 compared to \$374 for the three months ended June 30, 2024. This charge is accrued interest on the promissory notes payable (see Promissory Notes Payable section).

Management fees for the three months ended June 30, 2025 were \$35,327 compared to \$30,000 for the three months ended June 30, 2024. This charge was for accounting and administration services for the Company.

Professional fees for the three months ended June 30, 2025 was \$33,517 compared to \$5,196 for the three months ended June 30, 2024. These charges are for legal and audit fees.

Rent expense for the three months ended June 30, 2025 was \$nil, compared to \$3,000 for the three months ended June 30, 2024. This charge in the prior period was for the Company's head office.

Loss and comprehensive loss for the period

As a result of the activities discussed above, the Company experienced a loss and comprehensive loss of \$63,984 compared to \$38,589 for the three months ended June 30, 2024.

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INVESTMENT

Pursuant to an agreement dated March 31, 2022, the Company purchased 100,000 common shares of CoTerra Labs Inc. ("CoTerra") from ECC Diversified Inc. ("ECCD"), a significant shareholder of the Company, for an aggregate price of \$10,000. The Company had one director in common with CoTerra. During the year ended March 31, 2023, management determined that the current market value of the Company's investment in CoTerra was \$nil and recorded a write-down of \$10,000. On June 30, 2025, the Company sold its investment in CoTerra to ECCD for \$1.

PROMISSORY NOTES PAYABLE

Pursuant to an agreement dated March 31, 2022, the Company purchased 100,000 common shares of CoTerra from ECCD for an aggregate price of \$10,000, payable by promissory note. The principal outstanding under this promissory note bore interest at the simple rate of 10% per annum, and was repayable upon demand of ECCD. On April 28, 2025, the Company settled the principal (\$10,000) and accrued interest (\$3,241) through the issuance of 529,644 common shares of the Company. As at June 30, 2025 \$nil (March 31, 2025: \$13,164) is owing.

Pursuant to promissory notes dated July 7, 2023, June 12, 2024, July 9, 2024, and April 28, 2025, the Company borrowed \$3,200, \$5,500, \$5,000, and \$14,783, respectively, from The Emprise Special Opportunities Fund (2017) Limited Partnership ("LP2017"), a significant shareholder of the Company. The principal outstanding under these promissory notes bore interest at the simple rate of 10% per annum, and the entire unpaid principal and any interest was payable upon demand of LP2017. On April 28, 2025, the Company settled the principal (\$28,483) and accrued interest (1,494) through the issuance of 1,199,080 common shares of the Company. As at June 30, 2025 \$nil (March 31, 2025: \$15,088) is owing.

SHARE CAPITAL

Authorized

The Company's authorized capital consists of 999,999,999,999 common shares of par value U.S. \$1.00 each.

On April 28, 2025, the Company settled \$250,000 of outstanding indebtedness with certain creditors through the issuance of 10,000,000 common shares of the Company.

As at June 30, 2025, the Company had 34,930,500 common shares issued and outstanding (March 31, 2025: 24,930,500 common shares).

On July 10, 2025, Adrianna and xTAO merged. Pursuant to the merger, (i) all Adrianna shareholders who would have held twenty-five or fewer Resulting Issuer Shares immediately subsequent to the merger had their Adrianna shares redeemed by the Resulting Issuer at an equivalent price of US\$1 per Resulting Issuer Share; and (ii) all remaining Adrianna shares outstanding as of closing of the merger, were exchanged for an aggregate of 540,000 Resulting Issuer shares.

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In connection with the completion of the merger, xTAO completed a private placement financing (the "Private Placement") for aggregate gross proceeds of US\$22,779,225, through the issuance of 4,555,845 Subscription Receipts, at a price of US\$5.00 for each Subscription Receipt. On completion of the merger the securities underlying the Subscription Receipts converted on a 1 for 5 basis for an aggregate of 22,779,225 common shares of the Resulting Issuer (the "Resulting Issuer Shares").

Following closing of the merger and Private Placement, xTAO had 28,319,225 Resulting Issuer Shares issued and outstanding, comprised of: (i) 22,779,225 Resulting Issuer Shares issued in connection with the Private Placement; (ii) 5,000,000 Resulting Issuer Shares issued to xTAO shareholders, which shares are subject to a three year lock-up, with 10% being releasable on the three year anniversary date of listing on the Exchange, and an additional 10% releasable every three (3) months thereafter (the "Lockup"); and (iii) 540,000 Resulting Issuer Shares issued to former Adrianna shareholders, which are also subject to the Lockup.

Stock options

On October 29, 2021, the Company adopted a stock option plan (the "Stock Option Plan") whereby it can grant incentive stock options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price (if any) of the Company's common shares.

The Stock Option Plan provides that the number of common shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such an individual may not exceed 5% of the issued and outstanding common shares, if the individual is a director or officer, or 2% of the issued and outstanding common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

As at March 31, 2025, Adrianna had 1,900,000 stock options outstanding, each exercisable at \$0.05 per share until December 17, 2031. On June 30, 2025, all 1,900,000 stock options outstanding were cancelled without consideration.

LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's deficiency (comprised of issued share capital, reserves, and deficit). Management's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to

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pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company manages its capital structure to maximize its financial flexibility, adjusting it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to management's approach to capital management during the period. As at June 30, 2025, the Company is not subject to any externally imposed capital requirements or debt covenants.

A summary of the Company's cash flows during the three months ended June 30, 2025 and 2024 is as follows:

	For the three months ended,	
	June 30, 2025	June 30, 2024
Cash flows used in operating activities	\$ (394)	\$ (5,085)
Cash flows from financing activities	14,783	5,500
Change in cash for the period	(394)	415
Cash, beginning of the period	537	49
Cash, end of the period	\$ 143	\$ 464

Cash flows used in operating activities were \$394 during the three months ended June 30, 2025, compared to \$5,085 for the three months ended June 30, 2024.

Cash flows from financing activities were \$14,783 during the three months ended June 30, 2025 compared to \$5,500 for the three months ended June 30, 2024. Cash was provided from promissory notes from LP2017.

As a result of the above activities, at June 30, 2025, the Company has \$143 of cash to settle current liabilities of \$300,383. As such, management estimates that the Company has insufficient cash to fund corporate overhead costs for the next year.

The Company has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

The Financial Statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The accompanying interim financial statements do not reflect adjustments that may be

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necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate, adjustments may be necessary to the carrying amounts and/or classification of assets and/or liabilities and the reported expenses in these financial statements. Such adjustments could be material.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company secured promissory notes with ECCD and LP2017, both significant shareholders of the Company. See Promissory Notes section for details of these promissory notes.

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

There were no other related party transactions during the three months ended June 30, 2025 or the year ended March 31, 2024.

RISKS AND UNCERTAINTIES

Strategic Risk

As of June 30, 2025 and prior to the merger with xTAO on July 10, 2025, the Company had very limited sources of funding from which to repay its existing obligations and fund on-going operating costs. If the Company was unable to obtain adequate additional financing, management would have been required to curtail the Company's operations, in which case its ability to continue as a going concern may be adversely affected.

As of June 30, 2025 and prior to the merger with xTAO on July 10, 2025, there also was no guarantee that the Company would be able to complete the acquisition of or participation in a new business opportunity.

Lack of Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt.

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Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence of Key Personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at June 30, 2025, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

As of June 30, 2025, the Company had no exposure to price risk with respect to equity prices as the Company was not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-

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credit quality financial institutions. The Company's maximum exposure to credit risk is equal to the carrying value of its cash. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At June 30, 2025, the Company has no sources of revenue and has a cash balance of \$143 to settle current liabilities of \$300,383. As such, management estimates that the Company has insufficient cash to fund corporate overhead costs for the next year.

The Company has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern (see Corporate Overview and Outlook section).

Consequently, the Company is exposed to liquidity risk as at June 30, 2025.

Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

Investments are classified at FVTPL and have been measured using Level 2 inputs. Level 2 consists of private company investments. The key assumptions driving the valuation of the private company investment include but are not limited to the value of completed financings by the investee.

As at June 30, 2025 the Company's financial instruments consist of cash, and accounts payable and accrued liabilities. These financial instruments are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed

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on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year included:

Income tax

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

CRITICAL ACCOUNTING JUDGEMENT

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

Going Concern

The Company's management has assessed the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1 of the financial statements.

OFF-BALANCE SHEET ARRANGEMENT

The Company currently has no off-balance sheet arrangement.

ADDITIONAL INFORMATION

Additional information relating to the Company is available at www.sedarplus.ca.