



**ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED
AUGUST 31, 2025**

December 22, 2025

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SCHEDULE

SCHEDULE A – AUDIT COMMITTEE CHARTER

ADVISORIES

Date of Information

In this Annual Information Form ("**AIF**"), unless otherwise specified or if the context otherwise requires, references to "we", "us", "our", "its", "the Company" or "Neptune" mean Neptune Digital Assets Corp. (formerly, Neptune Dash Technologies Corp.).

This AIF is for the financial year ended August 31, 2025 and contains information as of December 22, 2025.

For additional information and details, readers are referred to the audited consolidated annual financial statements for the year ended August 31, 2025 and notes that follow, as well as the accompanying annual Management's Discussion and Analysis for the year ended August 31, 2025, which are available on the Canadian Securities Administrator's System for Electronic Document Analysis and Retrieval ("**SEDAR+**") at www.sedarplus.com.

Currency and Exchange Rates

Except as otherwise indicated, all dollar amounts in this AIF are expressed in Canadian dollars and references to \$ are to Canadian dollars. References to US\$ are to United States dollars.

Cautionary Statement Regarding Forward-Looking Information and Statements

This AIF contains forward-looking information and statements (collectively, "**forward-looking statements**"). These forward-looking statements relate to Neptune's current expectations, estimates and projections as to future events or Neptune's future performance and are provided to allow readers a better understanding of Neptune's business and prospects and may not be suitable for other purposes. All statements, other than statements of historical fact, may be considered forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in, or suggested by, such forward-looking statements. The Company believes the expectations reflected in the forward-looking statements included in this AIF are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

In particular, this AIF contains forward-looking statements pertaining to the following:

- the Company's strategies and objectives, both generally and in respect of its digital currency assets;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the availability of draws under the Credit Facility (as defined below);
- the timing and pricing of proposed financings, if applicable;
- the anticipated completion of financings;
- the anticipated receipt of regulatory approval or acceptance of financings; and

- the anticipated use of the proceeds from the financings.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward-looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to:

- cryptocurrency inventory may be exposed to cybersecurity threats and hacks;
- regulatory changes or actions may alter the nature of an investment or restrict the use of cryptocurrencies in a manner that adversely affects operations;
- the highly volatile nature of cryptocurrencies with respect to pricing, hashing power, and block reward;
- cryptocurrency exchanges or other trading venues being involved in fraud or experiencing security failures or other operational issues;
- banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency related services or that accept cryptocurrencies as payment;
- the impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain;
- the continued worldwide growth in the adoption and use of cryptocurrencies;
- the further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies;
- the Company's inability to predict future cryptocurrency asset pricing;
- the ability to determine the results of voting decisions made by cryptocurrency networks to determine how these blockchains perform network upgrades over time;
- uninsured or uninsurable risks;
- the prices of digital assets and volume of transactions are subject to social media and publicity risks;
- changes in the value of digital assets may affect trading;
- increased costs;
- the Company's operations, investment strategies, and profitability may be adversely affected by competition from other methods of investing in cryptocurrencies;
- loss, theft or restriction on access regarding the Company's cryptocurrency holdings;
- operational and technological risks;
- hard fork and airdrop risks;
- cybersecurity risk;
- staking risk;
- reliance on centralized and decentralized exchanges;

- smart contract risk;
- collusion risk;
- incorrect or fraudulent transactions may be irreversible;
- if the rewards of Bitcoin, Solana, Atom, or other cryptocurrency tokens for solving blocks and transaction fees are not sufficiently high, mining operations, validators and nodes may not have an adequate incentive to continue mining and may cease their mining operations;
- Bitcoin halving risk;
- the price of coins may be affected by the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets;
- decreasing rewards related to blockchain nodes and delegators for solving blocks and decreasing transaction fees;
- risk related to technological obsolescence and difficulty in obtaining hardware;
- energy costs in the regions where the Company operates may increase;
- increased scrutiny and changing expectations from stakeholders with respect to the Company's ESG practices and the impacts of climate change may result in additional costs or risks;
- the availability of equity and/or debt financing on acceptable terms;
- the Company may not be able to comply with terms and repayment of the Credit Facility;
- the Company may not have sufficient financial resources;
- the Company may be required to sell its cryptocurrency portfolio to pay for expenses;
- the Company has had some periods with losses;
- a Shareholder's holding in the Company may be diluted if the Company issues additional Common Shares or other securities in the future;
- the Company's adoption of new business models could fail to produce any financial returns;
- the Company will be affected by operational risks and may not be adequately insured for certain risks;
- risks associated with the regulatory regime and permitting requirements of the Company's business;
- risks associated with future acquisitions;
- dependence on management and key employees;
- the Company may not be able to retain management and key employees;
- a significant growth in the number of personnel would place a strain upon the Company's management and resources;

- the Company faces uncertainty and adverse changes in the economy;
- the Company may be subject to electronic communication security risks;
- the Company's business could be adversely affected if its consumer protection and data privacy practices are not perceived as adequate or there are breaches of its security measures or unintended disclosures of its consumer data;
- the Company may rely on its business partners, and they may be given access to systems in order to provide services and support to the Company's teams;
- the Company may experience adverse effects on its reported results of operations as a result of adopting new accounting standards or interpretations;
- failure to adhere to the Company's financial reporting obligations and other public company requirements could adversely affect the market price of the Common Shares;
- changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect the Company's reported financial results or financial condition;
- if the Company is required to write down goodwill and other intangible assets, the Company's financial condition and results could be negatively affected;
- from time to time, the Company may become involved in legal proceedings, which could adversely affect the Company;
- the Company's directors and officers may have conflicts of interest in conducting their duties;
- forward-looking statements and information may prove inaccurate;
- currency exchange risk;
- interest rate risk;
- risks of pandemics or other market events with impacts on the global economy;
- there is no assurance that resale of the Common Shares will result in a positive return for existing investors;
- the market for securities has experienced a high level of price and volume volatility and market prices are subject to wide fluctuations;
- the Company has not paid any dividends to date;
- global financial conditions have been volatile and in some cases the access to capital markets has been restricted;
- passive foreign investment company regulations could affect U.S. shareholders;
- if we are deemed to be an investment company under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"), applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business;

- our Shareholders will generally not benefit from protections of investment company statutes in various jurisdictions, and may suffer from the restrictions that such statutes place on the liquidity of Common Shares and on our fundraising, businesses or other activities;
- a determination that a digital asset is a “security”, or that an activity in which we engage involves a “security” transaction for purposes of the U.S. federal securities laws could adversely affect the value of that digital asset and potentially digital assets generally, and could therefore adversely impact our business, financial condition and results of operations as well as the market price of the Common Shares; and
- other factors, many of which are beyond the control of the Company, some of which are discussed under “*Risk Factors*” in this AIF.

Readers are therefore cautioned that the foregoing list of important factors is not exhaustive, and they should not unduly rely on the forward-looking statements included in this AIF. Further, because there is interconnectivity between many of the risks Neptune faces, it is possible that different constellations of risk could materialize which could result in unanticipated outcomes or consequences.

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this AIF. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- cybersecurity threats and hacks;
- regulatory developments within Canada, the United States, and internationally that affect cryptocurrencies as an asset class both directly and indirectly;
- the level and volatility of the prices for cryptocurrencies, specifically the Bitcoin, Solana, Cosmos ATOM, Sonic, Polkadot, Graph, Ethereum, OCEAN, and Dash blockchain networks;
- the reliability, solvency, and security of third-party exchanges and other cryptocurrency service providers;
- the economics of mining cryptocurrencies and decentralized finance projects;
- general business and economic conditions;
- the vulnerabilities in smart contracts used for staking, governance, or other blockchain network activities;
- the risks from reliance on stablecoins or decentralized finance (DeFi) platforms that may experience failures or regulatory scrutiny;
- the timing and amount of staking, DeFi, mining, and node rewards revenue earned over time from blockchain networks;
- conditions in the financial and cryptocurrency markets generally, and with respect to the prospects for the supply and demand of Bitcoin, Solana, Cosmos ATOM, Sonic, Polkadot, Graph, Ethereum, and Dash cryptocurrencies specifically;
- the hashing power and general integrity of blockchain networks, specifically the Bitcoin, Solana, Cosmos ATOM, Polkadot, Graph, Ethereum, and Dash blockchain networks with respect to vulnerability from a malicious third party, or a 51% Attack;

- regulatory developments within Canada and internationally that affect cryptocurrencies as an asset class both directly and indirectly;
- tax developments directed at cryptocurrency assets that may be enacted into legislation over time;
- exposure to counterparties such as custodians, liquidity providers, OTC desks, and loan counterparties, which could default, become insolvent, or fail to meet their obligations;
- governance decisions made by blockchain network operators that affect the rewards payout allocation;
- unexpected hard forks, network splits, or changes in consensus mechanisms that may impact holdings; and
- the risks related to internal processes, systems, and human errors, including reliance on key personnel.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the cryptocurrency markets and global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations. See "*Risk Factors*".

Management of the Company has included the above summary of assumptions and risks related to forward-looking statements provided in this AIF in order to provide Shareholders with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom.

Readers are therefore cautioned that the foregoing list of important factors is not exhaustive, and they should not unduly rely on the forward-looking statements included in this AIF. These forward-looking statements are made as of the date of this AIF and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. All forward-looking statements contained in this AIF are expressly qualified by this cautionary statement. Further information about the factors affecting forward-looking statements and management's assumptions and analysis thereof, is available in filings made by the Company with Canadian provincial securities commissions available on SEDAR+.

Non-IFRS Measures

The Company prepares and reports its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"), which are also generally accepted accounting principles for publicly accountable entities in Canada. However, this AIF may make reference to certain non-IFRS measures including key performance indicators used by management. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS measures including "gross margins" and "working capital" which may be calculated differently by other companies. These non-IFRS measures and metrics are used to provide investors with supplemental measures of the Company's operating performance and liquidity and thus highlight trends in the Company's business that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that securities analysts, investors and other

interested parties frequently use non-IFRS measures in the evaluation of companies in similar industries. Management also uses non-IFRS measures and metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of executive compensation.

Market, Independent Third Party and Industry Data

Unless otherwise indicated, the Company has obtained the market and industry data contained in this AIF from its internal research, management's estimates and third-party public information and other industry publications. While the Company believes such internal research, management's estimates and third-party public information is reliable, such internal research and management's estimates have not been verified by any independent sources and the Company has not verified any third party public information. While the Company is not aware of any misstatements regarding the market and industry data contained in this AIF, such data involves risks and uncertainties and are subject to change based on various factors, including those described under "*Advisories – Cautionary Statement Regarding Forward-Looking Information and Statements*" and "*Risk Factors*".

GLOSSARY OF TERMS

In this AIF, unless otherwise indicated or the context otherwise requires, the following terms shall have the indicated meanings. Words importing the singular include the plural and vice versa and words importing any gender include all genders. A reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time.

"**ASIC**" means application-specific integrated circuit (ASIC), a microchip designed for a special application, such as a particular kind of transmission protocol or a hand-held computer. In the context of digital currency mining, ASICs have been designed to solve specific hashing algorithms natively, including for Bitcoin mining;

"**ATOM**" means Cosmos (ATOM) cryptocurrency;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**Bitcoin**" or "**BTC**" refers to the native token of the Bitcoin Network which utilizes the SHA-256 algorithm. Bitcoin is a peer-to-peer payment system and the digital currency of the same name which uses open source cryptography to control the creation and transfer of such digital currency;

"**Blockchain**" refers to an immutable, decentralized public transaction ledger which records transactions, such as financial transactions in cryptocurrency, in chronological order. Bitcoin and Ethereum are examples of well-known and widely distributed blockchains;

"**Board**" means the board of directors of the Company, as constituted from time to time, including, where applicable, any committee thereof;

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**Common Shares**" means the common shares of the Company;

"**Company**" or "**Neptune**" means Neptune Digital Assets Corp., a company incorporated under the BCBCA, formerly named Neptune Dash Technologies Corp.;

"**Dot**" means the Polkadot cryptocurrency;

"**Node**" means any computer or server that participates in a blockchain network by validating, storing, or relaying transactions according to consensus rules. ;

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange;

"**Genesis**" means Genesis Global Capital, LLC;

"**Hash**" means the output of a hash function, i.e. the output of the fundamental mathematical computation of a particular cryptocurrency's computer code which miners execute;

"**Hashrate**" means a measure of cryptocurrency mining power in hashes per second whereby the expected income from mining is directly proportional to a miners Hashrate normalized by the total Hashrate of the network;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators;

"**Options**" means stock options to acquire Common Shares;

"**RSU**" means a restricted share unit of the Company;

"**SEC**" means the United States Securities and Exchange Commission;

"**Share Compensation Plan**" means the share compensation plan of the Company;

"**Shareholder**" means a holder of Common Shares;

"**SOL**" or "**Solana**" means the Solana cryptocurrency;

"**SpaceX**" means Space Exploration Technologies Corp.; and

"**Warrants**" means the warrants outstanding to acquire Common Shares.

CORPORATE STRUCTURE

Name, Address and Incorporation

On January 17, 2018, Neptune Dash Nodes Corp. ("**Former Neptune**"), a private company that exclusively built, operated, and invested in Dash Masternodes and related technologies, completed an amalgamation (the "**Amalgamation**") with Crossroad Ventures Inc. ("**Crossroad**"), a reporting issuer in British Columbia and Alberta, to acquire a 100% interest in Crossroad which would constitute a reverse takeover of Crossroad by the shareholders of Former Neptune. The Amalgamation resulted in Crossroad and Former Neptune amalgamating under the Business Corporations Act (*British Columbia*) ("**BCBCA**") as one company (i.e. the Company) under the name to "Neptune Dash Technologies Corp.". On December 17, 2020, the Company changed its name from "Neptune Dash Technologies Corp." to "Neptune Digital Assets Corp."

The Company is a reporting issuer in British Columbia and Alberta. The Common Shares are listed on the TSXV under the symbol NDA, and also trade on OTCQX Venture Market ("**OTCQX**") in the United States under the symbol NPPTF, and on the Frankfurt Stock Exchange under the symbol 1NW.

The Company's head office and registered and records office is located at Suite 2700, 1133 Melville Street, Vancouver, BC V6E 4E5.

Intercorporate Relationships

The Company only has one wholly-owned material subsidiary, Neptune Digital USA Corp. ("**Neptune USA**"). Neptune USA was incorporated on October 1, 2021, under the General Corporation Law of Delaware, for its US Bitcoin mining operations. The principal place of business of Neptune USA is in the US.

In addition, on February 16, 2018, the Company incorporated a wholly owned subsidiary under the BCBCA, Neptune Stake Technologies Corp., which was dissolved on March 18, 2024.

GENERAL DEVELOPMENT OF THE BUSINESS OF THE COMPANY

General Development of the Business

The Company is engaged in the business of accumulating, holding, and generating returns on fiat currency, cryptocurrency, and other assets which it deems as potentially valuable over the long term. The Company also actively evaluates technology companies and projects within the blockchain ecosystem and other highly innovative markets, with the intention of acquiring, investing in, or building new technology.

Three Year History

A detailed description on the significant developments of the business of the Company over the last three completed financial years is set out below.

Financial year ended August 31, 2023

On October 5, 2022, the Company invested US\$100,000 (C\$135,400) into Rapture Labs Inc. ("**Rapture Labs**"), a Web3 innovation and gaming company. An independent director of the Company is the Chairman and majority owner of Rapture Labs.

On October 24, 2022, the Common Shares were approved for trading under the symbol "NPPTF" on the OTCQB Venture Market.

On May 25, 2023, the Company issued 625,000 Common Shares on the exercise of Warrants at \$0.13 per Common Share for gross proceeds of \$81,250.

On July 10, 2023, the Company made an investment of US\$250,000 (C\$332,301) in SpaceX, a private US spacecraft manufacturer, space launch provider, and satellite communications provider, through Neptune USA. On completion of this investment the Company held 26,721 shares in SpaceX through two third parties.

On August 28, 2023, the Company sold its claim of US\$4,846,823 relating to the Genesis bankruptcy to a third party buyer. On January 20, 2023, the crypto lender Genesis filed for US bankruptcy protection after freezing customer redemptions on November 16, 2022. Neptune had US\$3,999,990 and 40 BTC at the time of filing on January 20, 2023, with a claim value of US\$4,846,823. The Company has sold the claim for 47% of its total value and has received cash proceeds of US\$2,278,007 (C\$3.1M) on August 28, 2023. See "*The Ongoing Business of the Company – Company's Use of Cryptocurrency Trading Platforms*" for details.

On August 30, 2023, the Company appointed Kenway Mack Slusarchuk Steward LLP to serve as the Company's auditors, replacing RSM Canada LLP.

Financial year ended August 31, 2024

On December 3, 2023, the Company issued 837,500 Common Shares on the exercise of 837,500 Warrants at \$0.13 per Common Share, and 714,285 Common Shares on the exercise of 714,285 Warrants at \$0.175 for gross proceeds of \$233,875.

On December 12, 2023, the Company sold some of its mining equipment for gross proceeds of US\$162,800.

On January 10, 2024, the Company announced a strategic milestone in its proof-of-stake operations, achieving 180,000 ATOM tokens. The native token of the Cosmos blockchain, ATOM, plays a pivotal role in facilitating transactions within the Cosmos network. As an active participant, Neptune delegates ATOM tokens, using cold storage, to secure the network, yielding an Annual Percentage Rate (APR) of approximately 15-20% or more, contingent upon market dynamics. Neptune's milestone position of 180,000 ATOM tokens generates a monthly revenue stream of approximately \$40,000 in ATOM at its current value. This revenue is used to consistently grow Neptune's Bitcoin treasury, invest in new tokens such as Solana and Dot, or compound its ATOM position.

On January 15, 2024, the Company settled a claim filed against a company located in Alberta (the "**Defendant**") arising out of the breach of Master Service Agreement entered into between the Company and the Defendant on February 27, 2021. The Defendant acknowledged indebtedness owing to the Company of US\$1,144,497 (C\$1,533,626) due and payable on June 15, 2024 which has yet to be received

On February 16, 2024, issued 750,000 Common Shares on the exercise of 750,000 Warrants at a price per Common Share of \$0.294 for gross proceeds receivable of \$220,500.

On March 18, 2024, the Company dissolved its wholly owned subsidiary, Neptune Stake Technologies Corp. which held no assets.

On March 21, 2024, the Company issued 730,000 Options to certain directors, officers and consultants of the Company. These Options vested immediately (other than 120,000 Options issued to a consultant providing investor relations services, which vest in four equal installments, with the final amount vesting on March 21, 2025), will entitle the holder to acquire one Common Share at an exercise price of \$0.335 and are to expire on March 21, 2034.

On March 26, 2024, the Company acquired 26,964 Solana (SOL) tokens, a leading proof-of-stake (PoS) blockchain protocol, at US\$64 per Solana. The acquisition was completed through a US\$1,725,675 equity interest investment, by Neptune USA, in a US private fund designed to acquire Solana tokens from a bankrupt estate. The Solana acquired by the Company will be locked and staked, earning staking rewards during the lock period and will become distributable on the same unlocking schedule as the Solana. 80% of the Solana will be released linearly monthly until January 2028 and 20% of the Solana will be released in March 2025.

On April 2, 2024, the Company implemented a Normal Course Issuer Bid ("**NCIB**") to purchase for cancellation, up to 11,350,727 Common Shares of the Company, representing 10% of the public float as defined by the TSXV as of March 26, 2024. Neptune commenced the NCIB because it believes that the market price of the Common Shares may not, from time to time, fully reflect their value and accordingly, the purchase of the Common Shares would be in the best interest of the Company and an attractive and appropriate use of available funds. The NCIB may extend until April 1, 2025, unless the maximum amount of Common Shares is purchased before then or the Company provides earlier notice of termination.

During the year ended August 31, 2024, the Company repurchased and cancelled 589,000 Common Shares pursuant to the NCIB, at an average price per share of \$0.34 for gross repurchases of \$200,125.

On July 29, 2024, the Company paid \$60,462 for settlement of withdrawal preference exposure related to withdrawals of funds the Company had made within 90 days before a centralized exchange filed for bankruptcy on July 13, 2022. On August 8, 2024, the United States Bankruptcy Court Southern District of New York issued notice for mediation for supplemental distribution to be made by the exchange to creditors including the Company. On December 5, 2024, the Company received \$503,932 for final settlement of claim.

Financial year ended August 31, 2025

On November 21, 2024, the Company announced its expansion of Fantom (FTM) holdings as the blockchain prepares for its anticipated migration to the Sonic network. Neptune currently holds 663,000 Fantom tokens and has implemented a dollar-cost-average (DCA) derivative strategy selling Fantom put options. Neptune currently has 500,000 FTM open option trade expiring at the end of November. This approach is intended to increase Neptune's total holdings to 1-3 million FTM depending on pricing and option premiums, further solidifying its presence in the Fantom ecosystem. Neptune's use of put options showcases its ability to adopt financial strategies to maximize returns.

On January 10, 2025, the Company issued 120,000 Common Shares relating to the exercise of Options at \$0.20 for gross proceeds of \$81,250.

On January 23, 2025, the Company and Sygnum Bank AG ("**Sygnum**"), a global digital asset banking group, entered into a loan agreement (the "**Loan Agreement**"), providing for a credit facility of up to US\$20,000,000 (the "**Credit Facility**"). On January 27, 2025, the Company announced the total Credit Facility had been increased to a maximum of US\$25,000,000. The Company intends to use the funds from the Credit Facility to expand and purchase Bitcoin and other crypto-related assets, in addition to supporting strategic investments. The Credit Facility is secured against the Company's Bitcoin holdings. There is no minimum balance requirement, and Neptune may draw on the Credit Facility as needed. See "*The Ongoing Business of the Company – Loans*" for further details.

On February 4, 2025, the Company announced it had acquired 20 Bitcoin between January 26 and February 3, 2025, for approximately US\$2,000,000, bringing the Company's total Bitcoin holdings to 376. Neptune also announced the acquisition of 1,000,000 Dogecoin tokens through a strategic derivative purchase on December 27, 2024.

On February 19, 2025, the Company was recognized as a 2025 TSX Venture 50 performer for the second consecutive year and the third time in four years. The annual ranking is based on performance across three equally-weighted indicators: share price appreciation, trading value, and market capitalization increase, for the calendar year ended December 31, 2024.

On February 21, 2025, the Company entered into an exclusive Solana staking agreement (the "**Sol Agreement**") with Sol Strategies Inc. ("**Sol Strategies**"). Through the Sol Agreement, the Company will stake Solana with Sol Strategies, leveraging their blockchain infrastructure to maximize staking efficiency. In addition to the standard staking rewards, Neptune will also receive a share of validator block rewards which is a benefit typically only validator operators receive. This innovative revenue-sharing structure enhances the Company's staking returns and further diversifies its revenue streams.

On April 1, 2025, Tara Amiri was appointed to the board of directors as a non-executive, independent Director and member of the audit committee. Tara Amiri succeeded Mitchell Demeter, who resigned as a Director of the Company but continues to support the Company as an advisor.

On April 7, 2025, the renewal of the NCIB was accepted by the Exchange. Under the terms of the NCIB, the Company may purchase for cancellation up to 11,328,130 Common Shares, representing 10% of its Public Float (as defined by the Exchange) as of April 7, 2025. The renewed NCIB commenced on April 14, 2025 and will terminate on April 13, 2026, or at such earlier time as the purchases under the NCIB are completed or the NCIB is terminated at the option of Neptune. Neptune renewed the NCIB because it

believes that the market price of the Common Shares may not, from time to time, fully reflect their value and, accordingly, the purchase of the Common Shares would be in the best interest of the Company and an attractive and appropriate use of available funds. It is expected that any purchases made by the Company could also enhance value and liquidity for its shareholders.

During the financial year ended August 31, 2025, the Company repurchased and cancelled 276,500 Common Shares under the NCIB at an average price per share of \$0.51 for gross repurchases of \$139,965.

On April 22, 2025, the Company announced that it has invested an additional US\$1 million into shares of SpaceX.

On July 30, 2025, the Company appointed HDCPA Professional Corporation to serve as the Company's auditors, replacing Kenway Mack Slusarchuk Steward LLP.

Period Subsequent to August 31, 2025

On September 3, 2025, issued 620,000 Common Shares on the exercises of: 380,000 Options at a price per Common Share of \$0.20, 200,000 Options at a price per Common Share of \$0.23, and 40,000 Options at a price per Common Share of \$0.335 for gross proceeds of \$135,400.

On October 2, 2025, issued 570,000 Common Shares on the exercises of: 375,000 Options at a price per Common Share of \$0.20, 75,000 Options at a price per Common Share of \$0.23, and 120,000 Options at a price per Common Share of \$0.335 for gross proceeds of \$132,450.

On October 8, 2025, the Company announced that its Bitcoin treasury has surpassed \$70 million in value with over 410 Bitcoin.

On December 9, 2025, issued 1,300,000 Options to certain directors and officers of the Company. These Options vest immediately, will entitle the holder to acquire Common Shares at an exercise price of \$0.70 per Common Share and are to expire on December 9, 2035.

On December 11, 2025, through its subsidiary, Neptune USA, the Company invested US\$300,000 in a series of equity interest in a US private company. The purpose of the series is to acquire shares of xAI Holdings Corp., an artificial intelligence company, with the mission to advance scientific discovery and deepen collective understanding of the universe.

SIGNIFICANT ACQUISITIONS

Except as disclosed in this AIF, the Company did not complete any significant acquisitions for which disclosure is required under NI 51-102 or the year ended August 31, 2025 or, as of the date of this AIF.

THE ONGOING BUSINESS OF THE COMPANY

General

The Company is currently engaged in growing a revenue-generating diversified portfolio of investments and cryptocurrency operations across the digital asset ecosystem including Bitcoin mining, tokens, proof-of-stake cryptocurrencies, decentralized finance (DeFi), and associated blockchain technologies.

The Company expects to obtain financing in the future primarily through further equity and/or debt financing, and to receive payments generated from staking and delegating on proof-of-stake networks, Bitcoin mining, decentralized finance activities, and investing in innovative technologies and investment in crypto growth funds. The Company also receives some revenues from investing digital assets into derivatives, short-term loans, and option trades.

Introduction to Blockchain and Cryptocurrency

Blockchain technology was invented in 2008 as the foundation for Bitcoin but has since evolved into a decentralized ledger technology used for various applications. Blockchain is gaining widespread adoption with many unique applications, fewer middlemen, greater efficiency and automated transactions.

Blockchain technology is unique in that it can store data and distribute it in a decentralised manner. The decentralisation of information increases security and offers additional functionality to its users. Blockchain technology is making a significant impact in many areas of business, finance, information management and governance, but it is still in its early stages, with significant future opportunities and applications.

Blockchain technology enables the application of cryptocurrency. Cryptocurrency is a form of cryptographically secured and decentralized digital currency, transferred directly between peers across the internet, with transactions being settled, confirmed and recorded in a distributed public ledger by a process known as "mining".

Units of a cryptocurrency exist only as data on the internet, and are not issued or controlled by any single institution, authority, or government. Whereas most of the world's money currently exists in the form of electronic records managed by central authorities, units of a cryptocurrency exist as electronic records in a decentralised tamper-proof transaction database called a blockchain. The ledger is both publicly available to anyone and secured with public key encryption.

How a Cryptocurrency Works

Cryptocurrencies are decentralised digital currencies that enable near-instant transfers to anyone, anywhere. Transactions occur via open source, cryptographic protocol platforms which use peertopeer technology to operate with no central authority. The network is an online, peer-to-peer network that hosts the public transaction ledger, known as the blockchain, and each cryptocurrency with a source code that comprises the basis for the cryptographic and algorithmic protocols governing the blockchain. No single entity owns or operates the network, the infrastructure of which is collectively maintained by a decentralised user base. As the network is decentralised, it does not rely on either governmental authorities or financial institutions to create, transmit or determine the value of the coins. Rather, the value of a coin is determined by the market supply of and demand for the coins, the prices of which are set in transfers by mutual agreement or barter, as well as by the number of merchants that accept the coins. Because coins are digital files that can be transferred without the involvement of intermediaries or third parties, there are little or no transaction costs in direct peer-to-peer transactions. Coins can be used to pay for goods and services or can be converted to fiat currencies, such as the US dollar, at rates determined by various exchanges. Bitcoin.org lists a number of Bitcoin exchanges (each, a "**BTC Exchange**"), including international exchanges such as: Bitstamp, and Coinbase. There are also country-based and regional exchanges. Additionally, third party service providers may be used for transfers but they may charge significant fees for processing transactions.

In a cryptocurrency network, every peer has their own copy of the blockchain, which contains records of every historical coin transaction, effectively containing records of all account balances. Each account is identified solely by its unique public key, and is secured with its associated private key (kept secret, like a password).

The combination of private and public cryptographic keys constitutes a secure digital identity in the form of a digital signature, providing strong control of ownership.

Each time a new block of transactions is created, data from that block is used to create a hash that is stored along with the block. One piece of data used is the hash from the most recent block in the blockchain. Each block's hash is created using the hash of the block before it, acting as a sort of tamper-evident seal that confirms the validity of the new block and all earlier blocks. Alterations made to any earlier block would make the hashes of all subsequent blocks invalid, the discrepancy would be easily detected by future

miners, and that broadcast would be discarded in favour of one from a different peer. Thus, miners "vote with their computer power, expressing their acceptance of valid blocks by working on extending them and rejecting invalid blocks by refusing to work on them" and consensus of the majority is represented by the longest blockchain.

Miners, using specialized computers, compete to validate and add new blocks to the blockchain. A miner that successfully verifies and solves a new block is rewarded with newly generated coins, typically distributed based on their contributed hash rate or mining pool structure, along with transaction fees. Mining is essential to the security and operation of the cryptocurrency network. The difficulty of proof-of-work puzzles is automatically adjusted to maintain a consistent block time, adapting to fluctuations in total network mining power.

Bitcoin Halving Event

Bitcoin miners derive revenue from block rewards and transaction fees for each block they solve. Bitcoin has a finite or terminal supply and is becoming scarcer over time. According to the Bitcoin Network, only 21,000,000 Bitcoins can ever be mined, with diminishing returns at each 'halving'. Bitcoin halving is an event where the block reward for mining new Bitcoin is halved, meaning that bitcoin miners will receive 50% less Bitcoin for every transaction they verify. In 2009, when Bitcoin was first launched the reward for mining a new block was 50 Bitcoins. The most recent halving event occurred on April 19, 2024 when the block reward decreased from 6.25 Bitcoin to 3.125 Bitcoin, which means that there are currently approximately 450 newly minted Bitcoin issued per day. Accordingly, the next halving event is expected to occur in 2028. A Bitcoin halving event could also impact Blockchain safety as a number of different safety protocols, such as proof-of-work and proof-of-stake, are dependent on the miner participation to verify the Blockchain transactions. See "*Risk Factors – Bitcoin Halving Risk*".

Bitcoin Mining Pool

Bitcoin mining is competitive and the goal is to solve or "find" a block before someone else's miner does, at which point you will get the block reward and transaction fees from the block. During the last several years, an increasing amount of Hashrate has come online which has made it harder to have enough Hashrate personally (individually) to solve a block and earn the payout reward. In response to this trend, the concept of "pooled mining" was developed, whereby groups of individual miners contribute to the generation of a block, and then split the block reward according the contributed processing or computing power. In doing this, the variance of finding a block is increased by having a larger total Hashrate in trying to process a block the fastest.

Why Cryptocurrencies?

A blockchain enables market participants to make and verify transactions on a network without a central authority. We believe that Blockchain, the backbone technology behind cryptocurrency mining, whether proof-of-work or proof-of-stake, has the potential to truly disrupt multiple industries and make processes more democratic, secure, transparent, and efficient. Blockchain transactions can reduce transaction times to seconds and are processed at all times.

Because cryptocurrencies are completely digital, they can be used in ways that ordinary currencies cannot; primarily, they are used like the digital equivalent of cash. Unlike credit or debit cards that are issued by banks, consumers don't need an account or good credit to use digital currencies. Further, digital currencies are becoming increasingly accepted globally by retailers and institutions.

The Market for Cryptocurrency

Cryptocurrencies offer many advantages over traditional (also known as 'fiat') currency, including:

- acting as a fraud deterrent, as cryptocurrencies are digital and cannot be counterfeited or reversed arbitrarily by sender;
- near-instant settlement;
- eliminate counterparty risk;
- no trusted intermediary required;
- lower fees;
- identity theft prevention;
- accessible by everyone;
- transactions are verified and protected through a confirmation process, which prevents the problem of double spending currencies;
- decentralised no central authority (government or financial institution); and
- recognized universally and not bound by government-imposed exchange rates.

Management believes that as the demand for cryptocurrencies increases and cryptocurrencies become more widely accepted, there will be an increasing demand for professional grade, scalable infrastructure to support growth of the growing blockchain ecosystem.

Company's Storage of Cryptocurrency Assets

The Company stores its cryptocurrency assets either in cold storage, hot wallets, exchanges, or as loans with third parties it believes are reputable. All crypto assets stored in cold storage are not insured. Hot wallets and loan products with reputable companies as per below occasionally have guarantees to pay and usually carry sufficient resources in cold storage to pay out any losses. That said given the nascent nature of this business, particularly in the regulatory environment, there are limited insurance products which are affordable and available to the Company. The Company continues to assess the ability to eventually insure any crypto assets held in treasury.

Cold Storage

Cold storage wallets are crypto wallets held offline on a physical device. The Company holds a variety of assets in cold storage which include Bitcoin, Solana, Ethereum, Atom, Dash, Polkadot, and others. Cold storage is the most secure method of storage and the Company holds both the cold storage wallets and the partial keys in separate locations. All cold storage wallets are held in secure vaulted locations with an identical backup cold storage wallet held in a separate city to minimize geographical risk. The keys are separated in half with each half being stored with a second and third location to eliminate risk of theft of full key for any individual location. These assets can only be accessed by two directors or officers of the Company attending the location and signing in. Although the Company follows security protocols for the safekeeping and access to the cold storage wallets and keys, there are many risks to the Company and its assets stored on the cold wallet, including without limitation the risk of damage to the physical wallet, breach of security protocols, collusion risk, hacking while the Company transacts with the cold storage wallets and other risks set out under "Risk Factors" and in the Company's public disclosure records. These risks cannot be insured and the Company has indemnified the storage location providers and waived liability in their favour.

Hot Wallets

Hot wallets are wallets that are connected through the internet and accessed through either a website or an app, such as MetaMask. The Company stores some of their crypto assets in hot wallets in order to transact in the decentralized finance space and other blockchain projects. As at December 22, 2025, the Company had approximately \$272,000 in crypto assets stored in hot wallets. Hot wallets have additional

exposure over cold wallets as they are always connected to the internet, therefore risks include hacking, phishing, collusion, third party risk of loss and other malicious thwarting to security. The Company takes security seriously and as such uses all available security protocols such as 2FA, PINs and passwords only available to the Company CEO and COO, whitelisting of addresses and HODL modes where available on accounts so that tokens requested to be moved require a delay and multiple authorizations.

Loans

On January 23, 2025, the Company and Sygnum entered into the Loan Agreement. Pursuant to the Loan Agreement, Neptune can draw on a Credit Facility of up to US\$25,000,000. For an indefinite term, the Credit Facility is interest bearing varying from 5.5% to 8.8% depending on the fiat currency borrowed. The Credit Facility is secured against the Company's digital currency assets of approximately 172 BTC, which are pledged and deposited with Sygnum in regulated custody. Because the collateral is subject to fluctuations in value, the Company may be required to provide additional collateral in order to restore the security margin on the loan. As at December 22, 2025, the Company had drawn US\$8,985,505 from the Credit Facility.

Company's Use of Cryptocurrency Trading Platforms

Neptune periodically acquires cryptocurrency and other crypto-related assets. In order to do so, the Company uses a crypto trading platform such as Amber Group or Galaxy Digital. The Company does not intend to store material sums of crypto assets on crypto trading platforms for the long term as a wallet and generally uses an exchange to purchase assets and then move assets to either hot wallets or cold storage once a transaction is complete. In order to move funds from the bank to a crypto trading platform, both the CEO and COO are required to release payments. Additionally, crypto trading platforms incorporate passwords for login and 2FA in order to access the websites. Specific risks of loss when using crypto trading platforms would be sending to the incorrect wallet address after a purchase is made, this risk is mitigated by a multiple review process by two officers and whitelisting specific regularly used addresses of both cold storage and hot wallets.

Genesis: Genesis Global Trading, Inc. operated as a multi faceted crypto brokerage in the state of New York and was licensed as a broker under the U.S. Securities Exchange Act of 1934, as amended. In order to manage or retrieve Neptune's assets at Genesis, both the CEO's and COO's authorization was required, with verbal phone confirmation and multiple emails confirming the whitelisted address. Specific risks associated with assets held at Genesis would be collusion and third-party risk specifically to failure of Genesis to return assets to a whitelisted address. On November 16, 2022, Genesis halted withdrawals on its lending platform and on January 19, 2023, it filed for relief under Chapter 11 of the United States Bankruptcy Code. During the year ended August 31, 2023, the Company filed a claim for loans receivable and interest accrued valued at \$7,356,997 and on August 28, 2023, the Company assigned its claim to a third party for proceeds of \$3,097,178 and recognized a loss on assignment of claim of \$4,259,819.

Blockchain Mining

Blockchain mining can be completed using proof-of-work or proof-of-stake protocols. Proof-of-work is a computer algorithm that is used by a number of different cryptocurrencies for block generation, allowing blocks to be accepted by network participants. Proof-of-work is used by cryptocurrencies such as Bitcoin and others and is designed to create decentralized agreement between different nodes around adding a specific block to the blockchain. Proof-of-work protocol requires miners to solve extremely complex and computationally intense mathematical problems in order to add blocks onto the blockchains. This process produces a specific kind of data that permits verification of the block, but is time consuming and extremely energy intensive to produce.

Proof-of-stake is an alternative method to proof-of-work and enables the mining and validation of blockchain transactions based on the number of coins that have staked, which means the more coins a miner has the

more mining power it possesses. In other words, instead of utilizing energy to generate proof-of-work data, a proof-of-stake miner is mining a percentage of transactions that is reflective of its ownership stake.

Advantages of using of proof-of-stake mining (staking) include:

- **Recurring dividends:** Neptune will be rewarded for their service to the blockchain network through an annual dividend of mined token collected from network fees, just like proof-of-work miners. Solana, for example, currently rewards miners approximately 7%.
- **Exposure to a diversified portfolio of coins:** Neptune will hold a diversified portfolio of coins required for proof-of-staking mining, thus minimizing exposure to volatility of a single coin.
- **No need to consume large quantities of electricity:** Neptune will not be required to purchase and maintain expensive hardware or pay high electricity costs. As a result, Neptune anticipates that its proof-of-staking mining operations will be more economical given the reduced energy costs and through revenue that will be reinvested into its mining operations. Given Bitcoin's recent upward momentum, the Company believes that while proof-of-stake (PoS) remains a reliable way to earn rewards during market downturns, it is less profitable during periods of crypto expansion. Having both proof-of-stake and proof-of-work exposure allows the Company to optimize to existing economic environment.
- **Faster validations:** proof-of-staking results in faster transactions times on the blockchain.

Node Operation

The Company builds and operates blockchain nodes with the support of third-party service providers who host and service nodes. These service providers offer infrastructure to ensure node performance and uptime. A blockchain node is a computer or server that participates in the maintenance and security of a blockchain by validating, storing, and transmitting transaction data. Nodes ensure the integrity of the network and help maintain consensus across the system.

- **Node Setup:** The Company sets up blockchain nodes for various blockchain networks (e.g., Ethereum, or other proof-of-stake networks) by installing the necessary software on powerful servers or machines. These nodes may operate independently or within a network of other nodes.
- **Transaction Validation:** Nodes play a role in validating transactions. Each transaction on the blockchain is verified by the network of nodes, ensuring that it follows the rules of the protocol. This includes checking signatures, balances, and verifying the authenticity of transaction data.
- **Consensus Participation:** In a decentralized network, achieving consensus (agreement on the state of the blockchain) is key. Nodes work together to reach consensus using protocols like Proof-of-Work (PoW) or Proof-of-Stake (PoS). The Company's nodes contribute to this consensus process, ensuring the blockchain remains secure and accurate.
- **Block Propagation:** Nodes relay verified transactions and new blocks across the network. When a new block is created, nodes propagate it to other nodes, ensuring that every participant in the blockchain has an up-to-date copy of the ledger.
- **Staking and Delegation (For Proof-of-Stake Networks):** In PoS-based networks, the Company may also operate validator nodes, which are responsible for staking cryptocurrency and securing the network. In return, the Company earns rewards in the form of additional tokens or coins, often proportional to the amount staked or delegated.
- **Monitoring and Maintenance:** The Company continuously monitors the performance and uptime of its nodes to ensure they remain active and well-connected to the blockchain network. This maintenance includes software updates, troubleshooting, and hardware upgrades when necessary.

By running blockchain nodes, the Company helps support the decentralization, security, and efficiency of blockchain networks, while also earning revenue from staking, delegating, and mining activities.

By running blockchain nodes, the Company not only supports the decentralization, security, and efficiency of blockchain networks but also generates revenue. Rewards come in various forms, including transaction fees, staking incentives, and mining rewards, depending on the blockchain protocol. These rewards contribute to the Company's overall financial performance and help sustain long-term operations in the evolving blockchain ecosystem.

Competitive Conditions

In the cryptocurrency industry, many online companies exist that offer cryptocurrency cloud mining services, many hosts that operate nodes, as well as companies, individuals and groups that run their own mining farms. Miners can range from individual enthusiasts to professional mining operations with dedicated data centres, however, the vast majority of mining is now undertaken by mining pools. Hosts of nodes provide various services, and large blocks of nodes may be able to effect the participation and direction of a blockchain network.

The vast majority of mining is now undertaken by mining pools, whereby miners organize themselves and pool their processing power over a network and mine transactions together. Rewards are then distributed proportionately to each miner based on the work / hash power contributed. Mining pools became popular when mining difficulty and block time increased. Mining pools allow miners to pool their resources so they can generate blocks quickly and receive rewards on a consistent basis instead of mining alone where rewards may not be received for long periods. The Company may also decide to participate in mining pools in order to smooth the receipt of rewards.

Other market participants in the cryptocurrency industry include investors and speculators, retail users transacting in cryptocurrencies, and service companies that provide a variety of services including buying, selling, payment processing and storing of cryptocurrencies.

Components

The Company obtains hardware components, various subsystems and systems from a limited group of suppliers. The Company does not have long-term agreements with any of these suppliers that obligate such suppliers to continue to sell components, subsystems, systems or products to the Company. The Company's reliance on these suppliers involves significant risks and uncertainties, including whether suppliers will provide an adequate supply of components, subsystems, or systems of sufficient quality, will increase prices for components, subsystems or systems, and will perform their obligations on a timely basis. See "*Risk Factors*".

Specialized Skill and Knowledge

There is a specialized skill required for the development, operations, maintenance, and marketing of the Company's business. The Company's current staff possesses the necessary skills and knowledge required for the Company's business; however, additional employees may be added to staff as needed.

Employees

The Company had no employees as at August 31, 2025 or as at the date of this AIF. The Company takes extensive measures to keep costs to a minimum and as such relies on external contractors for many services in order to scale back quickly if needed given the volatility of the digital currency ecosystem.

Reorganizations

Over the last three years, the Company did not complete any reorganizations.

Government Regulation

Blockchain technology assets are an emerging asset class of which the regulatory and taxation policies related to the purchase, sale, trading, and ownership of digital tokens may change over time, and as result may have a direct impact on the Company's assets and operating cashflows. The Company expects that wider adoption of digital assets will lead to implementation of regulation and controls to safeguard users and expects that regulated and compliant platforms will become increasingly important within the digital asset ecosystem. The Company regularly reviews regulatory developments in the centralized and decentralized finance industry.

Intangible Properties

As of the date of this AIF, the Company has the following registered trademark:

Description	Name/Title	Official No.	Governmental Entity
Registered Trademark	NEPTUNE	TMA1299572	CIPO

RISK FACTORS

The following specific factors could materially adversely affect the Company and should be considered when deciding whether to make an investment in the Company. The risks and uncertainties described in this AIF are those the Company currently believes to be material, but they are not the only ones the Company will face. If any of the following risks, or any other risks and uncertainties that the Company has not identified or that it currently considers not to be material, actually occur or become material risks, the Company's business, prospects, financial condition, results of operations and cash flows, and consequently the price of the Common Shares could be materially and adversely affected. In all these cases, the trading price of the Company's securities could decline, and prospective investors could lose all or part of their investment.

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Company's other public filings before making an investment decision.

Any reference to "the Company" or "Neptune" in the risk factors refers to the Company and its subsidiaries together on a consolidated basis.

General Cryptocurrency Risks

Cryptocurrency inventory may be exposed to cybersecurity threats and hacks.

In the recent past, flaws in cryptocurrency codes have been exposed by certain malicious actors. Several errors and defects have been found, including those that disabled some functionality for users and exposed users' information. While relatively rare, discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money have also occurred. Flaws in any cryptocurrency may create industry-wide concerns that adversely affect the Company, and flaws in the cryptocurrencies specifically important to the Company's business, including Bitcoin, Solana, Cosmos ATOM, Sonic, Polkadot, Graph, Ethereum, and Dash, could reduce the value of the Company's assets, cause its performance to suffer, harm its reputation, and otherwise adversely affect the Company.

The Company faces cybersecurity threats and may experience hacks or other cybersecurity incidents.

While the Company's security technology is designed to prevent, detect, and mitigate inappropriate access to its systems, it is possible that hackers, employees or service providers acting contrary to its policies, or others could circumvent these safeguards to improperly access its systems or documents, or the systems or documents of its business partners, agents, or service providers, and improperly access, obtain, misuse its digital currencies or other assets of the Company.

Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure.

If cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, cryptocurrency prices may fall and the cryptocurrency industry may face reputational damage, increased regulatory scrutiny, and other adverse business effects.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other currencies. For example, a number of cryptocurrency exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed Bitcoin exchanges were not compensated or made whole for the partial or complete losses of their account balances in such cryptocurrency exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action.

Regulatory changes or actions may alter the nature of an investment or restrict the use of cryptocurrencies in a manner that adversely affects operations.

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies with certain governments deeming them illegal while others have allowed their use and trade. On-going and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Company to continue to operate.

Regulatory action, particularly in the United States, may negatively affect the value of Bitcoin, Solana, Cosmos, ATOM, Sonic, Polkadot, Graph, Ethereum, and Dash. Enforcement actions by the SEC or other regulators against trading platforms and exchanges may indirectly negatively affect the Company if these actions have the effect of limiting access to those cryptocurrencies.

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

Governments may in the future curtail or outlaw the acquisition, use, transfer or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. Governments may also take action that increases the cost and/or subjects cryptocurrency companies to additional regulation. For example, in April 2023, the U.S. Securities and Exchange Commission (SEC) filed charges against several cryptocurrency exchanges and issuers, arguing that certain digital assets should be classified as securities. This regulatory stance has led to increased scrutiny and enforcement actions, creating uncertainty for businesses like the Company operating in the industry, which can add cost and complexity to operations, create downward pressure on the value of cryptocurrencies, and otherwise adversely affecting businesses such as the Company.

Governments may in the future take actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for fiat currency. By extension, governments may restrict the acquisition, ownership, holding, sale, use or trading of the Company's shares.

Such a restriction could result in the Company liquidating assets at unfavorable prices and may otherwise adversely affect the Shareholders.

Cryptocurrency assets are highly volatile and speculative in nature.

The value of digital assets has historically been highly volatile. For example, during the period between November 1, 2020 and March 15, 2021, the value of Bitcoin rose by more than 300%, but between April 1, 2022 and December 31, 2022, the value of Bitcoin fell by over 60%. In early 2024, Bitcoin surged to new highs above US\$70,000, fueled by the approval of spot Bitcoin ETFs in the U.S., but subsequently experienced sharp corrections, dropping by over 15% within weeks. The value of the digital assets held by users could decline rapidly in future periods, including to zero, which could adversely affect the Company's business, financial condition or results of operations.

Blockchain nodes and ASIC miners are compensated by the blockchain network for their roles in maintaining network operations, security, and consensus. These rewards are intended to offset the capital and operating costs associated with their construction and operation. However, due to the highly volatile nature of cryptocurrencies—including fluctuations in pricing, hashing power, and block rewards—the Company cannot guarantee that the net asset value of a blockchain asset or the block reward associated with any specific token will remain at current levels or increase in the future.

Cryptocurrency market technology is in the development stage, and cryptocurrency assets are not widely held, are difficult to purchase and store securely and are not fully regulated. As result of these variables, the pricing of cryptocurrency assets is highly volatile which will affect the value of staked digital assets, economics of mining operations and block reward payouts over time.

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Cryptocurrency market prices are determined primarily using data from various exchanges, over the counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of cryptocurrencies, inflating their market prices and making them more volatile. As a result, they may be more likely to fluctuate in value due to changing confidence in their market prices, which could adversely affect the value of the Company's assets and thereby affect the Shareholders.

Banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment.

A number of companies that provide Bitcoin and/or other cryptocurrency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Banks may refuse to provide bank accounts and other banking services to companies that provide cryptocurrency-related services or that accept payment in cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. The lack of banking services may decrease the usefulness of cryptocurrencies, harm public perception of cryptocurrencies, depress the value of cryptocurrencies, limit the businesses operating in the industry, or otherwise adversely affect the Company and its industry. The loss of existing banking services, including if banks were to close the accounts of many or of a few key businesses providing cryptocurrency-related services, could exacerbate these adverse effects.

The impact of geopolitical, macroeconomic or other crises on the supply and demand for cryptocurrencies is uncertain.

Geopolitical events, such as wars or embargoes, negative macroeconomic developments, such as high interest rates, high inflation or economic recessions, or other crises may motivate large scale purchases or sales of cryptocurrencies which could cause rapid increases or decreases in the price of cryptocurrencies. Unusual price increases may increase the likelihood of subsequent price decreases, particularly as any crisis-driven purchasing behavior wanes, adversely affecting the value of the Company's assets.

The possibility of large-scale cryptocurrency purchases during times of crisis may have a short-term positive impact on prices. For example, in March 2020, during the global financial market turmoil triggered by the COVID-19 pandemic, many people turned to Bitcoin as a hedge against economic instability, resulting in a temporary price increase. However, as market conditions stabilized and speculative traders began to sell, Bitcoin's price experienced significant volatility, with sharp declines following the initial surge. Similarly, the collapse of some financial institutions in March 2023 led to a brief surge in Bitcoin's price as some people sought alternative assets. Nevertheless, as the immediate concerns subsided, Bitcoin's price returned to more typical volatility levels. Such pricing patterns in the future may erode investor confidence in the stability of cryptocurrencies, which could impair their value and adversely affect the Company's investments.

The further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is subject to a variety of factors that are difficult to evaluate.

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may adversely affect the Company's operations. The factors affecting the further development of the industry, include, but are not limited to:

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

Acceptance and/or widespread use of cryptocurrency is uncertain.

Currently, there is relatively small use of Bitcoin and/or other cryptocurrencies in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect the Company's operations, investment strategies, and profitability.

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

The prices of digital assets and volume of transactions that we conduct are subject to social media and publicity risks.

Bitcoin, along with other digital assets, receive a high degree of public scrutiny, both from traditional media sources and through social media and other forums. Unfavorable publicity regarding Bitcoin has adversely affected the price of Bitcoin, as has unfavorable publicity involving other digital assets or digital asset-focused firms. Bitcoin has in the past, and may in the future, be the target of social media criticism, including regarding the market value, utility and environmental effects of bitcoin. Such unfavorable media coverage could continue to materially impact decisions to buy, hold, or trade bitcoin or other digital assets and, as a result, the price and value of such assets.

In addition, social media posts and other statements and actions by prominent individuals, including Elon Musk and Michael Saylor, have resulted in outsized movements in the market price of Bitcoin and other cryptocurrencies. It is possible that future statements by such individuals concerning Bitcoin and other cryptocurrencies will have disproportionate impacts on the market price of Bitcoin and other digital assets.

Changes in the value of digital assets may affect trading

Investing in digital assets is speculative, prices are volatile and market movements are difficult to predict. Supply and demand for digital assets can change rapidly and is affected by a variety of factors. The markets for digital assets have experienced much larger fluctuations than other markets, and erratic swings in price may continue or increase in the future. In the event that the prices of digital assets decline, the value of an investment in the Company is also likely to decline. Several factors may affect the price and volatility of digital assets, including, but not limited to: (i) global demand for digital assets, depending on the acceptance of digital assets by retail merchants and commercial businesses; (ii) the perception that the use, holding and trading of digital assets is safe and secure, and the related lack of or inconsistency in regulatory restrictions, particularly across various jurisdictions; (iii) conversely, heightened regulatory measures restricting the use of digital assets as a form of payment or the purchase of digital assets; (iv) investor's expectations with respect to the rate of inflation; (v) interest rates; (vi) currency exchange rates, including exchange rates between digital assets and fiat currency; (vii) fiat currency withdrawal and deposit policies on digital asset trading platforms and liquidity on such digital asset trading platforms; (viii) interruption of services or failures of major digital asset trading platforms; (ix) general governmental monetary policies, including trade restrictions and currency revaluations; and (x) global or regional political, economic or financial events and situations, including increased threat or terrorist activities.

The Company expects to face increased costs.

Management anticipates the costs to transact in tokens and for mining equipment could increase over time, particularly if demand for cryptocurrency and tokens increases. This will result in increased capital costs to purchase sufficient blockchain assets or mining equipment.

Company-Specific Cryptocurrency Risks

The Company's cryptocurrency holdings may be subject to loss, theft or restriction on access.

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

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

Cryptocurrencies are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held, which wallet's public key or address is reflected in the network's public Blockchain. The Company will publish the public key relating to digital wallets in use when it verifies the receipt of transfers and disseminates such information into the network, but it will need to safeguard the private keys relating to such digital wallets. To the extent such private keys are lost, destroyed or otherwise compromised, the Company will be unable to access its cryptocurrency holdings and such private keys will not be capable of being restored by network. Any loss of private keys relating to digital wallets used to store the Company's cryptocurrency holdings could adversely affect its investments and profitability.

Digital asset transactions are irrevocable and if stolen or incorrectly transferred, digital assets may be irretrievable. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer or theft generally will not be reversible, and the Company may not be capable of seeking compensation. The Company has established policies and procedures to require careful review of each transaction before execution, but such policies and procedures may not be properly followed or may not be sufficient to avoid executed an improper transaction.

The Company faces operational and technological risk.

Cryptocurrency operations involve complex processes, rapidly evolving tools, and highly technical infrastructure. Managing blockchain networks, executing smart contracts, and securing private keys require precision and expertise. Errors in transaction execution, software updates, or system integrations could result in financial loss, downtime, or security vulnerabilities. Additionally, human errors, misconfigurations, or reliance on third-party service providers may introduce operational risks that could impact business continuity.

Cybersecurity risk

While the Company's security technology is designed to prevent, detect, and mitigate inappropriate access to its systems, it is possible that hackers, employees or service providers acting contrary to its policies, or others could circumvent these safeguards to improperly access its systems or documents, or the systems or documents of its business partners, agents, or service providers, and improperly access, obtain, misuse its digital currencies.

Smart contract risk

In DeFi, smart contract risk often replaces the custodial risk found in centralized finance platforms. This risk arises because hackers can exploit vulnerabilities in smart contract code to drain funds held in escrow. Attacks on DeFi protocols frequently target coding flaws, misconfigurations, or insecure administrative controls.

Many DeFi smart contracts include administrative keys, which grant their holders the power to modify the contract, such as upgrading protocols or adjusting parameters. If hackers gain access to these keys, they can manipulate the contract, drain liquidity pools, or execute unauthorized transactions. Smart contract exploitations remain a persistent threat across the blockchain ecosystem.

The Company's operations, investment strategies, and profitability may be adversely affected by competition from other methods of investing in cryptocurrencies.

The Company competes with other users and/or companies that own and run proof-of-stake operations, and to a more limited extent, those companies which mine cryptocurrencies and other potential financial vehicles, possibly including securities backed by or linked to cryptocurrencies through entities similar to the Company. Market and financial conditions, and other conditions beyond the Company's control, may make it more attractive to invest in other financial vehicles, or to invest in cryptocurrencies directly which could limit the market for the Company's shares and reduce their liquidity.

Staking risk

Staking involves risks beyond potential rewards. Digital asset prices are highly volatile and can decline rapidly, potentially offsetting any staking income earned. Additionally, staking often requires locking up assets for a set period, limiting liquidity and flexibility.

Another key risk is **slashing**, a penalty imposed at the protocol level if a validator engages in malicious activity, downtime, or misbehavior. Slashing can result in a partial or total loss of staked assets, further increasing the financial risk of staking.

The Company faces the potential for a hard fork and airdrop risks.

When a proposed modification to the digital currency network is not accepted by the vast majority of miners and users but is nonetheless accepted by a substantial population of participants in the network, a “fork” in the blockchain occurs, resulting in two separate digital currency networks. A “hard fork” is a software upgrade that introduces a new rule to the network that is not compatible with the older software, while a “soft fork” is any change that is backward compatible. Holders of digital currency on the original digital currency network, at the time the block is mined and the fork occurs, can then also typically receive an identical amount of new tokens on the new network. Hard forks could affect the value and harm the sustainability of the affected digital currencies.

Airdrops occur when the promoters of a new digital asset send amounts of the new digital asset to holders of another digital asset that they will be able to claim a certain amount of the new digital asset for free. The Company may not be able to realize the economic benefit of a hard fork or airdrop, either immediately or ever, for various reasons. For instance, the Company may not have any systems in place to monitor or participate in hard forks or airdrops. Therefore, the Company may not receive any new digital assets created as a result of a hard fork or airdrop, thus losing any potential value from such digital assets. For the years ended August 31, 2025 and 2024, there were no losses relating to a hard fork or airdrop.

Incorrect or fraudulent transactions may be irreversible

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred coins may be irretrievable. As a result, any incorrectly executed or fraudulent coin transactions could adversely affect the Company's investments.

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

Uninsured or Uninsurable Risks.

The Company intends to insure its operations in accordance with cryptocurrency industry practice. However, the Company is currently unable to obtain insurance covering the loss of its blockchain assets, and they are therefore susceptible to total loss in the event of a theft, security breach, employee error or IT malfunction. The Company takes meaningful steps, including cybersecurity software, physical security protocols, and employee training to reduce the risk of losses due to theft, security breach, employee error or IT malfunction, but these steps may be unsuccessful.

Reliance on Decentralized Exchanges (DEXs)

As a liquidity provider on a variety of decentralized protocols and applications, the Company is dependent on these public DEXs in its liquidity mining. DEXs may not continue to attract users for any number of reasons, including not upgrading their functionality or perceptions that superior alternatives exist. Additionally, the risks inherent to public blockchains, such as smart contract risks or cybersecurity risks, continue to apply to DEXs. There is also no certainty as to the future regulatory environment regarding DEXs or DeFi and any adverse changes could substantially impact the Company's ability to conduct its business.

Reliance on Centralized Exchanges (CEXs)

The Company relies on certain centralized exchanges to hold its fiat and digital currency deposits in order to earn interest. The Company also exchanges fiat and other forms of capital into digital assets that can then be used across various protocols and applications. The Company is reliant on these CEXs for the exchange of fiat/digital assets. Any change to the CEXs business models, practices, ability to custody assets, ability to send or receive payments, solvency, ability to swap or exchange assets, or exposure to security breaches or hacks could have a meaningful impact on the Company's operations and potential loss of some or all of its assets.

If the rewards of Bitcoin, Solana, Atom, or other cryptocurrency tokens for solving blocks and transaction fees are not sufficiently high, mining operations, validators and nodes may not have an adequate incentive to continue mining and may cease their mining operations

As the value of tokens awarded for solving a block in a network decreases, the incentive to continue to contribute resources to the network will decrease. This may result in a requirement from miners of higher transaction fees in exchange for recording transactions in the Blockchain, and may decrease demand for that particular token and prevent the continued expansion of the network, resulting in a reduction in the price of the relevant cryptocurrency that could adversely impact the Company's cryptocurrency inventory, mining or staking revenues and associated blockchain investments.

Bitcoin halving risk

Bitcoin halving is an event where the block reward for mining new Bitcoin is halved, meaning that bitcoin miners will receive 50% less Bitcoin for every transaction they verify. In 2009, when Bitcoin was first launched the reward for mining a new block was 50 Bitcoins. As of the most recent halving in April 2024, the reward is only 3.125 Bitcoin per block as of the date of this AIF. See "*Ongoing Business of the Company – Introduction to Blockchain and Cryptocurrency – Bitcoin Halving Event*".

It is anticipated that each subsequent halving event will cause many less efficient miners to shut off their miners in the medium to long term unless the price of Bitcoin rises significantly. This will result in a decrease in the Bitcoin network's overall Hashrate and the corresponding difficulty number. Without a corresponding increase in the price of Bitcoin, the Company's revenue will be negatively impacted. If the price of Bitcoin and the network Hashrate and difficulty numbers remain flat, the Company's corresponding revenue would be reduced by 50%. The future price of Bitcoin and the difficulty number are challenging to forecast. The Company believes that although the halving event would reduce the block reward by 50%, other market factors such as the network difficulty rate and price of Bitcoin would change to offset the impact of the halving sufficiently for the Company to maintain profitability. Nevertheless, there is a risk that the Company's belief is incorrect and a halving event will render the Company unprofitable and have a material adverse impact on the Company's business, financial conditions and operations.

The price of coins may be affected by the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets

To the extent that investment vehicles that buy, sell or hold coins or track cryptocurrency markets represent a significant proportion of the ownership of coins, such vehicles' sale of their positions, including to fund redemptions of their equity securities by investors in those vehicles could negatively affect cryptocurrency prices and therefore affect the value of the inventory held by the Company.

Risk related to technological obsolescence and difficulty in obtaining hardware

The Company may invest in hardware and equipment required for maintaining the Company's activities. Should competitors introduce new services/software embodying new technologies, the Company's hardware and equipment and its underlying technology may become obsolete and require substantial capital to replace such equipment.

Energy costs in the regions where we operate may increase

A key factor in the profitability of the Company's mining operations is the availability and cost of electricity in the regions where the Company has mining operations. Cryptocurrency mining operations require substantial amounts of electrical power, and the Company's operations can only be successful if the Company can obtain electrical power on a reliable and cost-effective basis. Shortages of natural gas, infrastructural damage to power plants or power carriage infrastructure, increases in demand for power, or any other factor that contributes to a reduction on the availability of electrical power or a rise in the price of electrical power may render the Company's mining operations unprofitable. Additionally, in times of electricity shortages, government regulators may restrict or prohibit the provision of electricity to cryptocurrency mining operations.

At the same time, the consumption by cryptocurrency mining companies, including the Company of significant amounts of electrical power may potentially have a deleterious effect on the environment, which may cause government regulators to restrict the ability of electricity suppliers to provide electricity to mining operations in order to curtail their energy consumption. In addition, the Company is exposed to negative impacts of changes in tax policy, such as, but not limited to, being precluded from claiming back input taxes or other specific taxes imposed on cryptocurrency mining, as well as risks of losing any existing energy rebates or tax rebates across all jurisdictions. A public perception that the use of electrical power for cryptocurrency mining is bad for the environment, contributes to unduly high energy costs, or otherwise has negative consequences may precipitate adverse policy changes or otherwise adversely impact the Company's operations.

The Company currently conducts its cryptocurrency mining in the state of Colorado. As a result of maintaining operations in limited geographic locations, the Company's current and future operations and anticipated growth, as well as the sustainability of electricity at economical prices for the purposes of cryptocurrency mining in the state of Colorado poses certain risks. Any significant increase in the price the Company pays for the electrical power it consumes could adversely impact the Company's operations and profitability.

Increased scrutiny and changing expectations from stakeholders with respect to the Company's ESG practices and the impacts of climate change may result in additional costs or risks

Companies across many industries, including cryptocurrency mining, are facing increasing scrutiny related to their environmental, social, and governance ("ESG") practices. Investor advocacy groups, certain institutional investors, investment funds and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the non-financial impacts of their investments. Furthermore, increased public awareness and concern regarding environmental risks, including global climate change, may result in increased public scrutiny of the Company's business and its

industry, and the management team may divert significant time and energy away from the Company's operations and towards responding to such scrutiny and enhancing the Company's ESG practices.

In addition, the impacts of climate change may affect the availability and cost of materials and natural resources, sources and supply of energy, demand for Bitcoin and other cryptocurrencies, and could increase the Company's insurance and other operating costs, including, potentially, to repair damage incurred as a result of extreme weather events or to renovate or retrofit facilities to better withstand extreme weather events. If environmental laws or regulations or industry standards are either changed or adopted and impose significant operational restrictions and compliance requirements on the Company's operations, or if its operations are disrupted due to physical impacts of climate change, the Company's business, capital expenditures, results of operations, financial condition and competitive position could be negatively impacted.

Other Company Risks

Financing risks

The Company has limited financial resources, and may require additional capital resources to invest and purchase blockchain infrastructure assets. Failure to raise additional financing could result in a delay or indefinite postponement of further technological investments in the Company's blockchain infrastructure.

The Company has had some periods with net losses

The Company has incurred periodic net losses in some quarters. Although the Company has generated a positive net income in four of the last eight quarters to August 31, 2025 it may incur net losses in the future. The Company expects that its operating expenses will increase as it grows its business, including expending substantial resources for research, development and marketing. As a result, any decrease or delay in generating revenues could result in material operating losses.

The Company may be unable to obtain additional financing on acceptable terms or at all.

The Company expects it will require additional financing in the future, to fund new acquisitions, for general corporate purposes, for debt repayment, and for the expenses required to continue to operate as a public company. To the extent it becomes necessary to raise additional cash in the future, the Company may seek to raise it through the public or private sale of assets, debt or equity securities, draws under the Credit Facility, the procurement of advances on contracts or licenses, funding from joint-venture or strategic partners, debt financing or short-term loans, or a combination of the foregoing. The Company may also seek to satisfy indebtedness without any cash outlay through the private issuance of debt or equity securities.

The Company may not be successful in obtaining any required financing(s). Any available financing(s) may not be on terms acceptable to the Company or may not satisfy the requirements to draw additional funds under the Credit Facility. Failure to obtain such additional financing or satisfy the requirement for additional draws under the Credit Facility could cause the Company to reduce or terminate its operations. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of the Company's business objectives, including the acquisition of additional equipment, the expansion of the Company's management team, the pursuit of strategic acquisitions and other aspects of the Company's strategic plan.

If the Company raises additional capital through the issuance of equity securities, the percentage ownership of the Company's existing shareholders may be reduced, and such existing shareholders may experience additional dilution in net book value per share. If the Company raises additional capital through the incurrence of indebtedness, the Company may be required to secure the financing with part or all of the Company's assets, which could be sold or retained by the creditor should there be a default in the Company's payment obligations. As a condition to a debt financing, restrictive covenants may be imposed

on the Company that could limit the ability of the Company to operate its business and pursue its corporate strategy and other aspects of its business plan, which could result in the failure to capitalize on otherwise available opportunities and could place the Company at a competitive disadvantage compared to its competitors that have less debt. Furthermore, if the Company raises capital through a convertible debt offering, any conversion of the debt into equity would be dilutive to the Company's existing shareholders. In connection with any such future capital raising transaction, whether involving the issuance of equity securities or the incurrence of indebtedness, the Company may be required to accept terms that restrict its ability to raise additional capital for a period of time, which may limit or prevent the Company from raising capital at times when it would otherwise be opportunistic to do so.

Compliance with Terms and Repayment of Credit Facilities

There can be no assurance that the Credit Facility, or any other credit facilities or financing agreements that the Company may enter into, will be renewed or refinanced, or if renewed or refinanced, that the renewal or refinancing will occur on equally favourable terms to the Company. The Company may not be able to comply with the covenants and other obligations under these agreements, and the Company may not be able to raise sufficient capital to repay such indebtedness when required. The Company's ability to continue operating may be adversely affected if it is not able to renew the Credit Facility or any other credit facilities or arrange refinancing, or if such renewal or refinancing, as the case may be, occurs on terms materially less favorable to the Company than at present. The Credit Facility is secured by a substantial portion of the Company's assets, and imposes covenants and obligations on the Company. There is a risk that this and any other such facilities or loans may go into default if there is a breach in complying with covenants and obligations, which could result in the lenders realizing on their security and causing the shareholders to lose some or all of their investment.

Depending on Company's future business plans, Company may require additional debt financing that may not be available or, if available, may not be available on favourable terms. The level of Company's indebtedness from time to time could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Insufficient Financial Resources

The Company may not have sufficient financial resources or crypto revenues to pay operating expenses.

The Company may be required to sell its cryptocurrency portfolio to pay for expenses

The Company may in the future sell part of its cryptocurrency portfolio to pay for expenses incurred, irrespective of the price at that point in time. Consequently, the Company's cryptocurrencies may be sold at a time when the price is low, resulting in a negative effect on the Company's profitability, particularly if there is a need to sell cryptocurrencies to fund the Company's operating activities or expansion goals.

A Shareholder's ownership interest in the Company may be diluted if the Company issues additional Common Shares or other securities in the future

The Company may issue additional Common Shares or other securities in the future, which may dilute a Shareholder's holding in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares, and Shareholders have no pre-emptive rights in connection with further issuances of any securities. The directors of the Company have the discretion to determine if an issuance of Common Shares or other securities is warranted, the price at which any such securities are issued and the other terms of issue of Common Shares or securities. In addition, the Company's may issue additional Common Shares upon the exercise of incentive Options to acquire Common Shares under its Share Compensation Plan, which will result in further dilution to Shareholders. In addition, the issuance of Common Shares or other securities in any potential future acquisitions, if any, may also result in further dilution to Shareholder interests.

The Company's adoption of new business models could fail to produce any financial returns

Forecasting the Company's revenues and profitability for new business models is inherently uncertain and volatile. The Company's actual revenues and profits for its business models may be significantly less than the Company's forecasts. Additionally, the new business models could fail for one or more of the Company's products and/or services, resulting in the loss of Company's investment in the development and infrastructure needed to support the new business models, and the opportunity cost of diverting management and financial resources away from more successful businesses.

The Company will be affected by operational risks and may not be adequately insured for certain risks

The Company will be affected by a number of operational risks and the Company may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's technologies, personal injury or death, environmental damage, adverse impacts on the Company's operation, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Company's future cash flows, earnings and financial condition. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

There are risks associated with the regulatory regime and permitting requirements of the Company's business

Blockchain technology assets are a new and emerging asset class of which the regulatory and taxation policies related to the purchase, sale, trading, and ownership of digital tokens may change over time, and as result may have a direct impact on the Company's assets and operating cash flows.

The Company may be subject to the risks associated with future acquisitions

As part of the Company's overall business strategy, the Company may pursue select strategic acquisitions that would provide additional product or service offerings, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Any such future acquisitions, if completed, may expose the Company to additional potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Company's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

The Company's inability to retain management and key employees could impair the future success of the Company

The Company's future success depends substantially on the continued services of its executive officers and its key development personnel. If one or more of its executive officers or key development personnel were unable or unwilling to continue in their present positions, the Company might not be able to replace them easily or at all. In addition, if any of its executive officers or key employees joins a competitor or forms a competing company, the Company may lose experience, know-how, key professionals and staff members as well as business partners. These executive officers and key employees could develop competing technologies or businesses that could take customers and market share away from the Company.

A significant growth in the number of personnel would place a strain upon the Company's management and resources

The Company may experience a period of significant growth in the number of personnel that could place a strain upon its management systems and resources. The Company's future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage its workforce. The Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

The Company faces uncertainty and adverse changes in the economy

Adverse changes in the economy could negatively impact the Company's business. Future economic distress may result in a decrease in value of the Company's assets and investments, which could have a material adverse impact on the Company's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with acquiring or operating technology, increase the cost and decrease the availability of sources of financing, and increase the Company's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Company.

The Company may be subject to electronic communication security risks.

A significant potential vulnerability of electronic communications is the security of transmission of confidential information over public networks. Anyone who is able to circumvent the Company's security measures could misappropriate proprietary information or cause interruptions in its operations. The Company may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

The Company's business could be adversely affected if its consumer protection and data privacy practices are not perceived as adequate or there are breaches of its security measures or unintended disclosures of its consumer data

The rate of privacy law-making is accelerating globally and interpretation and application of consumer protection and data privacy laws in Canada, the United States, Europe and elsewhere are often uncertain, contradictory and in flux. As business practices are being challenged by regulators, private litigants, and consumer protection agencies around the world, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with the Company's data and/or consumer protection practices. If so, this could result in increased litigation government or court imposed fines, judgments or orders requiring that the Company change its practices, which could have an adverse effect on its business and reputation. Complying with these various laws could cause the Company to incur substantial costs or require it to change its business practices in a manner adverse to its business.

The Company may rely on its business partners, and they may be given access to systems in order to provide services and support to the Company's teams

The Company relies on various business partners, including third-party service providers, vendors, licensing partners, development partners, and licensees, among others, in some areas of the Company's business. In some cases, these third parties are given access to systems in order to provide services and support to the Company's teams. These third parties may misappropriate the Company's information and engage in unauthorized use of it. The failure of these third parties to provide adequate services and technologies, or the failure of the third parties to adequately maintain or update their services and technologies, could result in a disruption to the Company's business operations. Further, disruptions in the financial markets and economic downturns may adversely affect the Company's business partners and they may not be able to continue honoring their obligations to the Company. Alternative arrangements and services may not be available to the Company on commercially reasonable terms or the Company may

experience business interruptions upon a transition to an alternative partner or vendor. If the Company loses one or more significant business partners, the Company's business could be harmed.

Failure to adhere to the Company's financial reporting obligations and other public company requirements could adversely affect the market price of the Common Shares

The Company is subject to reporting and other obligations under applicable Canadian securities laws, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, and the rules of any stock exchange on which the Common Shares are listed. These reporting and other obligations will place significant demands on the Company's management, administrative, operational and accounting resources. If the Company is unable to meet such demands in a timely and effective manner, its ability to comply with its financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause the Company to fail to satisfy its reporting obligations or result in material misstatements in its financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in its reported financial information, which could result in a reduction in the trading price of the Common Shares.

In addition, the Company does not expect that its disclosure controls and procedures and internal controls over financial reporting will prevent all errors or fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a control system, misstatements due to errors or fraud may occur and may not be detected in a timely manner or at all.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect the Company's reported financial results or financial condition

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to the Company's business, including but not limited to revenue recognition, impairment of goodwill and intangible assets, inventory, income taxes and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change the Company's reported financial performance or financial condition in accordance with generally accepted accounting principles.

If the Company is required to write down goodwill and other intangible assets, the Company's financial condition and results could be negatively affected

Goodwill impairment arises when there is deterioration in the capabilities of acquired assets to generate cash flows, and the fair value of the goodwill dips below its book value. The Company is required to review its goodwill for impairment at least annually. Events that may trigger goodwill impairment include deterioration in economic conditions, increased competition, loss of key personnel, and regulatory action.

From time to time, the Company may become involved in legal proceedings, which could adversely affect the Company

The Company may, from time to time in the future, become subject to legal proceedings, claims, litigation and government investigations or inquiries, which could be expensive, lengthy, and disruptive to normal

business operations. In addition, the outcome of any legal proceedings, claims, litigation, investigations or inquiries may be difficult to predict and could have a material adverse effect on the Company's business, operating results, or financial condition.

The Company's directors and officers may have conflicts of interest in conducting their duties

Because directors and officers of the Company are or may become directors or officers of other reporting companies or have significant shareholdings in other technology companies, the directors and officers of the Company may have conflicts of interest in conducting their duties. The Company and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against a particular matter in which the director has the conflict. In appropriate cases, the Company will establish a special committee of independent directors to review a particular matter in which several directors, or officers, may have a conflict. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Executive officers and directors may have rights to indemnification from the Company.

Forward-looking statements and information may prove inaccurate

Shareholders and prospective investors are cautioned not to place undue reliance on the Company's forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties related to forward-looking statements and information are found under the heading "*Advisories – Cautionary Statement Regarding Forward-Looking Information and Statements*" in this AIF.

Currency Exchange Risk

The Company is exposed to fluctuations in currency exchange rates, which could negatively affect its financial condition and results of operations. In particular, exchange rate fluctuations may affect the costs that the Company incurs in its operations. Cryptocurrencies are generally sold in U.S. dollars and the Company's costs are incurred principally in Canadian dollars as well as other foreign currencies. The appreciation of non-U.S. dollar currencies against the U.S. dollar could increase the cost of mining in U.S. dollar terms. In addition, the Company holds cash balances in both U.S. dollars and Canadian dollars, the values of which are impacted by fluctuations in currency exchange rates.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company will be exposed to interest rate changes on its investments that are expected to pay interest, and any credit facilities it may have that bear interest at a floating rate. Changes in the prime lending rate would affect earnings and could adversely affect the Company's profitability.

Risks Related to the Securities of the Company

There is no assurance that resale of the Common Shares will result in a positive return for existing investors

The Common Shares are currently publicly traded on the TSXV, the OTCQX and the Frankfurt Stock Exchange. There can be no assurance that the publicly-traded market price of the Common Shares will be high enough to create a positive return for any investors. Further, there can be no assurance that the Common Shares will be sufficiently liquid so as to permit investors to sell any of their position in the Company without adversely affecting the stock price. In such event, the probability of any resale of the Common Shares would be significantly diminished. As well, the continued operation of the Company will be dependent upon its ability to procure additional financing in the short term and to generate operating revenues in the longer term. There can be no assurance that any such financing can be obtained or that any revenues can be generated. If the Company is unable to obtain such additional financing or generate sufficient revenues, investors may be unable to sell their Common Shares and any investment in the Company may be lost.

The market for securities has experienced a high level of price and volume volatility and market prices are subject to wide fluctuations

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Fluctuations in price may continue to occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility. An active public market for the Common Shares may never develop or otherwise be sustained. If an active public market for the Common Shares does not develop or, if one develops but it is not sustained, the liquidity of a Shareholder's investment in the Common Shares may be very limited and the share price may decline.

The Company has not paid any dividends to date.

To date, the Company has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Company will be made by the Board on the basis of its earnings, financial requirements and other conditions.

Global financial conditions have been volatile and in some cases the access to capital markets has been restricted.

Current global financial conditions have been subject to increased volatility and in some cases the access to financial markets has been restricted. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these levels of volatility and market instability continue, the Company's operations could be adversely impacted and the value and the price of the Common Shares could continue to be adversely affected.

U.S. Related Risks

Passive Foreign Investment Company Regulations Could Affect U.S. Shareholders

Generally adverse U.S. federal income tax rules apply to U.S. persons owning stock of a Passive Foreign Investment Company (a "PFIC"). The determination as to whether a non-U.S. corporation is a PFIC is a factual determination made on an annual basis after the close of each taxable year. This determination is based on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and the determination will depend on, among other things, the composition of the non-U.S.

corporation's income, expenses and assets, as well as the relative value of its assets (which may fluctuate with the non-U.S. corporation's market capitalization), from time to time, and the nature of its activities. Moreover, the application of the PFIC rules to digital assets and transactions related thereto is subject to uncertainty. The Company does not provide a statement to shareholders as to whether the Company believes it is a PFIC. Accordingly, the Company may be classified as a PFIC for the current taxable year and in any future taxable year. Prospective U.S. persons contemplating an investment in the Common Shares are urged to consult their tax advisors regarding the Company's status as a PFIC and the U.S. federal income tax consequences that may apply if the Company is determined to be a PFIC in any taxable year.

If we are deemed to be an investment company under the Investment Company Act, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

A company generally will be deemed to be an “investment company” for purposes of the Investment Company Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis.

We believe that we are not an “investment company,” as defined in the Investment Company Act or that we may rely on applicable exclusions or exemptions. We intend to conduct our operations so that we will not be deemed to be an investment company or in a manner that does not subject us to the registration and other requirements of the Investment Company Act, including by reliance on exemptions therefrom. In order to ensure that we are not deemed to be an investment company, we may be limited in the assets that we may continue to own and, further, may need to dispose of or acquire certain assets at such times or on such terms as may be less favorable to us than in the absence of such requirement.

For example, certain of our venture investments may be considered investment securities and we might be required to dispose of one or more of them, or to limit the extent of our venture investments business (such as by foregoing otherwise attractive balance sheet venture investment opportunities), in order not to become an investment company. If we were deemed to be an investment company under the Investment Company Act (such as due to the classification of digital assets held by us as securities for purposes of the Investment Company Act, or significant changes in the value of our investments or other assets), and we were not to be able to rely on an exemption, the requirements imposed by the Investment Company Act could make it impractical for us to continue our business as currently conducted, which would materially adversely affect our business, financial condition and results of operations. In addition, if we were to become inadvertently subject to the Investment Company Act, any violation of the Investment Company Act could subject us to material adverse consequences, including potentially significant regulatory penalties and the possibility that certain of our contracts could be deemed unenforceable.

In addition, if anything were to happen which would cause us to be deemed to be an investment company under the Investment Company Act, it will become more difficult and costly for us to comply with the applicable requirements of the securities legislation and regulations thereunder of each province and territory of Canada.

Our Shareholders will generally not benefit from protections of investment company statutes in various jurisdictions, and may suffer from the restrictions that such statutes place on the liquidity of Common Shares and on our fundraising, businesses or other activities.

We are not an investment fund and do not intend to operate as an investment fund in the future. Nonetheless, it is possible that we may effectively be classified as the equivalent of a commodity pool (to the extent that digital assets are deemed to fall within the definition of a “commodity interest” under the CEA) or an investment fund under the investment company laws of various jurisdictions, including the European Union Alternative Investment Fund Managers Directive.

Our business is designed to comply with exemptions from the application of such laws, which means that holders of Common Shares do not and will not benefit from the investor protections provided by such laws. At the same time, we may be constrained by such laws from raising additional capital in certain jurisdictions, to the potential detriment of the value and liquidity of Common Shares, and we may be restricted or precluded from operating in certain jurisdictions without additional financial registrations or licenses that we do not currently have.

Furthermore, if, whether by reason of changes in law, regulation or interpretation or by reason of our conduct, we no longer qualify for applicable exemptions from commodity pool or investment company laws, the results may materially adversely affect us and could lead to our liquidation or sale, which may lead to material or complete losses for holders of Common Shares.

A determination that a digital asset is a “security”, or that an activity in which we engage involves a “security” transaction for purposes of the U.S. securities laws could adversely affect the value of that digital asset and potentially digital assets generally, and could therefore adversely impact our business, financial condition and results of operations as well as the market price of the Common Shares.

Depending on the facts and circumstances, a digital asset may be considered a “security”, or an activity in which we engage may be deemed to involve a “security” transaction, under the U.S. securities laws. The test for determining whether a particular digital asset is a “security”, or whether a particular activity involves a “security” transaction, is complex and difficult to apply, and the outcome is difficult to predict. Public, though non-binding, statements by senior officials at the Securities and Exchange Commission have indicated that they do not consider Bitcoin or Ether to be securities. The SEC staff has authored informal, non-binding letters to the promoters of a few digital assets to the effect that the staff would not recommend enforcement action to the SEC regarding transactions in such digital assets on the facts, described to the staff. On the other hand, the SEC has brought enforcement actions against the promoters of several other digital assets on the basis that the digital assets in question are securities that were not registered with the SEC or exempt from this requirement. Moreover, in September 2021 testimony before the Senate Banking Committee, the chair of the SEC stated that “only a small number” of digital assets are not securities. Beyond the public enforcement actions involving specific digital assets, the SEC has not yet publicly identified which specific digital assets it considers to be securities, although it is possible that the SEC could do so in the future in the context of enforcement actions or in public statements outside the enforcement context. And although there is limited guidance on the subject, the SEC has also found certain economic arrangements involving digital assets to be securities transactions. Adding to the complexity, the SEC staff has indicated that the security status of a particular digital asset can change over time as the relevant facts evolve.

The SEC’s positions on the federal securities law status of particular digital assets are closely watched and can have dramatic effects, whether or not the SEC’s positions prevail in federal court. For example, in 2020 the SEC filed a complaint against the promoters of XRP alleging that they raised more than \$1.3 billion through XRP sales that should have been (but were not) registered under the federal securities laws. In the weeks following the filing of the SEC’s complaint, XRP’s market capitalization fell to less than half of its market capitalization in the days prior to the complaint. In July 2023, a U.S. district court ruled that certain sales of XRP were not securities transactions for purposes of the federal securities laws, while others were. Also, in July 2022, the SEC filed insider trading charges against a former employee of Coinbase Global, Inc. and two other individuals. In the complaint, the SEC alleged that nine digital assets were securities under the U.S. federal securities laws. The SEC also brought charges against Genesis Global Capital, LLC, a subsidiary of Genesis Global Holdco, LLC, and Gemini Trust Company, LLC in January 2023 for their alleged unregistered offer and sale of securities to retail investors. Genesis Global Holdco, LLC, together with its subsidiaries filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in January 2023. Further, in June 2023, the SEC filed complaints against Coinbase and Binance alleging, among other things, that such firms were operating as unregistered securities exchanges in the United States, and identifying a number of digital assets that the SEC alleges to be securities. Both Coinbase and Binance have denied the allegations. In addition, in November 2023, the SEC filed a complaint against Kraken bringing similar charges, alleging that it operated as an unregistered securities

exchange, brokerage and clearing agency. The outcome of these lawsuits, and any judicial determination of whether secondary-market transactions in the identified assets are securities transactions, remain uncertain. The SEC's action against XRP's promoters and the district court's decision in that matter, its actions against Genesis, Gemini, Coinbase, Binance and Kraken and its identification of certain digital assets as securities in these and other complaints underscore the continuing uncertainty regarding the application of U.S. securities laws to digital assets. As part of our Trading business, we have in the past and in some cases continue to provide clients and counterparties access to certain digital assets that have been alleged to be securities in these complaints. For more information about the digital assets to which our Trading business provides access to, see "Description of the Business." We carefully consider the implications of these allegations as well as other developments relating to the digital assets to which we may provide clients and counterparties access.

On January 21, 2025, the SEC announced the formation of the SEC's crypto task force, which will be dedicated to developing a "comprehensive and clear regulatory framework" for crypto assets. On January 23, 2025, U.S. federal administration issued an executive order (the "**Executive Order**") to promote US leadership in digital assets and financial technology and to support the growth and use of digital assets, blockchain technology, and related technologies across all sectors of the economy. The Executive Order establishes a Working Group on Digital Asset Markets (the "**Working Group**") and provides that the Working Group shall submit a report focusing, among others, in a proposal for a federal regulatory framework governing the issuance and operation of digital assets, including stablecoins, in the US, taking into account provisions for market structure, oversight, consumer protection, and risk management.

Any enforcement action by the SEC or a state securities regulator, or a court decision or SEC announcement, asserting or finding that a particular digital asset is a security for purposes of the U.S. securities laws would be expected to have an immediate and material adverse impact on the trading value of that digital asset if it is then generally used or traded in the United States, and depending on the specific characteristics of the digital asset, could have adverse spillover effects on the trading values of other digital assets perceived to share similar characteristics that are also generally used or traded in the United States. This is because the business models behind most digital assets are incompatible with U.S. regulations applying to transactions in securities. If a digital asset is asserted or found to be a security, it is likely to become difficult or impossible for the digital asset to be traded, cleared or custodied in the United States through the same channels used by non-security digital assets. For example, all transactions in such digital asset would have to be registered with the SEC and potentially state securities regulators, or conducted in accordance with exemptions from registration, which could severely limit its liquidity and usefulness. Moreover, the network on which such digital asset is utilized may be subject to regulation as a securities exchange, and the network and those operating it may be subject to regulation as a securities broker, which could effectively render the network impracticable for its existing purposes and create disincentives to operating it. In addition to materially and adversely affecting the trading value of the digital asset, any such consequences are likely to significantly impact the digital asset's liquidity and market participants' ability to convert the digital asset into U.S. dollars.

The determination that a digital asset is a security under the securities laws could also have adverse U.S. regulatory consequences for us. But even if there were no such adverse U.S. regulatory consequences, we may nevertheless decide to terminate our services relating to that digital asset and liquidate our holdings of that digital asset while we believe a liquid market still exists, which could result in us selling that digital asset at depressed prices.

To the extent we hold any digital asset that is impacted by an assertion or finding that it is a security, or we engage in any arrangement in respect of a digital asset that is deemed to be an offer or a sale of a security, our business, financial condition and results of operations would be adversely impacted. Depending on which digital asset or activities are impacted, these adverse impacts could be material to us and to the market price of the Common Shares.

A determination that a digital asset is a "security", or that an activity in which we engage involves a "security" transaction for purposes of the U.S. federal securities laws could have adverse

regulatory consequences for us, and could therefore adversely impact our business, financial condition and results of operations as well as the market price of the Common Shares.

The classification of a digital asset as a security under the U.S. securities laws has wide-ranging implications for the regulatory obligations that apply to the offer, sale, trading, clearing and holding of securities. In June 2023, the SEC brought enforcement actions against two digital asset trading platforms alleging that a number of digital assets are securities and that, as a result, each had failed to register with the SEC in a number of capacities as required under the federal securities laws. In the days following the complaint, one of the digital asset trading platform's publicly traded stock price fell by 10%. Although we take these implications into account for those digital assets that we treat as securities for U.S. securities law purposes, for a digital asset that we previously treated as not being a security for U.S. securities law purposes, these implications could include the following, any of which could have adverse consequences to our business, financial condition and results of operations as well as the market price of the Common Shares:

- Liability for participating in unregistered securities offerings. In the United States, securities generally may not be offered or sold unless registered with the SEC or an exemption from registration is available. If a digital asset or any of our digital asset transactions is determined to be a security and we offered or sold that digital asset without a valid exemption from SEC registration requirements, we could incur liability to purchasers as well as SEC monetary fines and other penalties, including restrictions on our ability to conduct business.
- Liability for acting as an unregistered broker-dealer, national securities exchange or clearing agency. A person in the business of effecting transactions in securities in the United States is generally subject to registration with the SEC as a "broker" or "dealer." A platform that brings together purchasers and sellers to trade securities in the United States is generally subject to registration as a national securities exchange, or must qualify for an exemption, such as by being operated by a registered broker-dealer as an alternative trading system. A person that facilitates clearing and settlement of securities or that acts as a securities depository may be subject to registration with the SEC as a clearing agency. If a digital asset is determined to be a security and we transacted in that digital asset in a manner implicating any of the foregoing registration requirements without being so registered or without a valid registration exemption, we could incur monetary fines and other penalties, including restrictions on our ability to conduct business.
- Liability for operating as an unregistered investment company. A person in the business of investing in securities in the United States is subject to registration and regulation as an investment company under the Investment Company Act, unless a valid exemption from such registration applies. The laws and regulations applicable to registered investment companies, including limitations on debt and other forms of leverage, extensive governance requirements, restrictions on transactions with affiliates and other limitations on business activities generally make it impractical for an operating company such as us to be an investment company. If one or more digital assets is determined to be a security and we had been relying on such digital assets as not being securities for Investment Company Act purposes, we could incur SEC monetary fines and other penalties, including restrictions on our ability to conduct business. In addition, counterparties to contracts to which we are party could seek to avoid their obligations under those contracts on grounds that contracts with illegally unregistered investment companies are unenforceable.
- Obligation to restructure our operations in order to avoid operating as an unregistered investment company. We intend to conduct our operations so that we will not be deemed to be an investment company under the Investment Company Act, If we determined that we risked becoming subject to registration as an investment company under the Investment Company Act, we would explore alternatives for avoiding this status, which may include disposing of digital assets, or one or more of our balance sheet venture investments, or acquiring businesses or assets that are not securities, and we may be required to effect such dispositions or acquisitions under unfavorable market conditions. If we are deemed to be an investment company under the Investment Company Act, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

- Liability for acting as an unregistered investment adviser. A person in the business of advising others, for compensation, with respect to securities in the United States or to U.S. clients is generally subject to registration and regulation as an investment, unless a valid exemption from such registration applies. If a digital asset is determined to be a security and we advised clients as to that digital asset in a manner implicating Advisers Act registration requirements without being so registered or without a valid registration exemption, we could incur monetary fines and other penalties, including restrictions on our ability to conduct business.

We may be able to take steps in order to bring our operations into compliance with the U.S. securities laws following a determination that one or more digital assets in which we transact are securities, but there is no guarantee that we would be able to take such actions as may be necessary to ensure that our future activities comply with applicable law, which could force us to discontinue some or all of our business activities. In general, any steps we are able to take in order to ensure future compliance with applicable laws would not insulate us from liability for past violations.

While parts of the above description of adverse regulatory consequences focuses on the federal securities laws, the various U.S. states and jurisdictions outside the United States also intensively regulate securities transactions, and so a U.S. state's or other jurisdiction's determination that a particular digital asset is a security could have similarly adverse consequences to our business, financial condition and results of operations as well as the market price of the Common Shares.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. The rights, privileges and restrictions on the Common Shares are contained in the articles of Neptune, which are available on SEDAR+ at www.sedarplus.com.

Common Shares

As of the date hereof, 128,281,096 Common Shares are issued and outstanding (127,091,096 Common Shares as at August 31, 2025).

Each Common Share entitles the holder to receive notice of and attend all meetings of the Shareholders. Each Common Share carries the right to one vote. The holders of Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares at such time and in such amount as may be determined by the Board, in its discretion. In the event of the liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, holders of Common Shares are also entitled to participate, rateably, in the distribution of the assets of the Company, subject to the rights of the holders of any other class of shares ranking in priority to the Common Shares.

Warrants

As of the date of this AIF, the Company has no Warrants outstanding.

Share Based Compensation

On January 31, 2022, the Board adopted the Share Compensation Plan and such Share Compensation Plan was subsequently approved by the TSXV and by the Shareholders at the Company's last annual general meeting held on February 26, 2025.

The Share Compensation Plan is a "rolling up to 10%" omnibus plan pursuant to which the total number of Common Shares which may be issued pursuant to RSUs and Options granted under the Share Compensation Plan, in the aggregate, is equal to up to a maximum of 10% of the issued and outstanding Common Shares at the time of the grant or award.

Options

As of the date of this AIF, there are 12,770,000 Options outstanding on a fully diluted basis (12,660,000 Options as at August 31, 2025). Each Option is exercisable by the holders thereof to acquire one Common Share at an average exercise price of \$0.53 per Common Share (\$0.49 as at August 31, 2025). The Options were issued to directors and consultants pursuant to the Share Compensation Plan.

RSUs

As of the date of this AIF, there are no RSUs outstanding.

MARKET FOR SECURITIES

Trading Price and Volume of Common Shares

The Common Shares are listed and posted for trading on the TSXV under the symbol "NDA". The following table sets forth the price range (monthly high and low prices) of the Common Shares and consolidated volumes traded for the periods indicated (as reported by the TSXV).

2024	High (C\$)	Low (C\$)	Volume
September	\$0.305	\$0.23	1,270,607
October	\$1.26	\$0.26	28,984,194
November	\$1.14	\$0.62	19,266,531
December	\$1.28	\$0.75	17,563,541
2025	High (C\$)	Low (C\$)	Volume
January	\$2.85	\$0.93	32,722,774
February	\$2.49	\$1.20	18,149,158
March	\$2.08	\$1.29	25,100,260
April	\$1.83	\$1.22	14,017,495
May	\$2.17	\$1.56	13,670,660
June	\$1.67	\$1.29	7,825,525
July	\$1.70	\$1.225	10,250,922
August	\$1.29	\$1.01	6,115,658
September	\$1.35	\$0.93	9,072,529
October	\$1.34	\$0.86	8,704,347
November	\$0.88	\$0.56	5,788,837
December 1-18	\$1.17	\$0.65	5,881,518

Prior Sales

The following table summarizes the issuances of unlisted securities for the year ended August 31, 2025 as well as those issued as of the date hereof:

Date of Issuance	Securities	Number of Securities Issued	Issuance/Exercise Price Per Security (\$)
December 9, 2025	Options	1,300,000	\$0.70

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

To the Company's knowledge, no securities of the Company were held in escrow or subject to a contractual restriction on transfer as at August 31, 2025 or as of the date hereof.

DIVIDENDS

The Company has not declared or paid a dividend. Other than the requirements of the BCBCA, there are no restrictions on the Company that would prevent it from paying a dividend. However, as of the date of this AIF, the Board intends to retain any future earnings (when available) for reinvestment in the Company's business, and therefore, it has no current intention to declare or pay dividends on the Common Shares in the foreseeable future. Any future determination to pay dividends on the Common Shares will be at the sole discretion of the Board after considering a variety of factors and conditions existing from time to time including its earnings, financial condition and other relevant factors.

DIRECTORS AND OFFICERS

As at the date hereof, the Board is comprised of five individuals. The following table sets forth the names and municipalities of residence of the current directors and executive officers of the Company, their respective positions and offices with the Company and the date first appointed or elected as a director and/or officer and their principal occupation(s) within the past five years.

Name, Occupation and Security Holding

Name and Municipality of Residence	Position Held, Date Appointed and Principal Occupation within the past five years
Cale Moodie ⁽²⁾ Vancouver, British Columbia, Canada	Mr. Moodie has been the President, Chief Executive Officer, and director of the Company since January 17, 2018. Mr. Moodie is also the Chief Financial Officer and director of Brixton Metals Corporation since November 2010, and a director of Full Metal Minerals Ltd. since October 2014.
Kalle Radage West Vancouver, British Columbia, Canada	Mr. Radage has been the Chief Operating Officer of the Company since January 17, 2018, assumed the additional role of Corporate Secretary and director of the Company on August 2019, and assumed the further role of Chief Financial Officer of the Company on March 2020 until March 2022. Mr. Radage is also Chairman of Clearly Payments Inc since February 2018.
Dario Meli ⁽¹⁾⁽²⁾ Vancouver, British Columbia, Canada	Mr. Meli has been a director of the Company since January 17, 2018. Mr. Deli is also a founder & CEO of Quietly Media since 2013, co-founder of HootSuite Inc., co-founder of Foodee, co-founder of Brightkit, and producer for Come Roll With Us.
Tara Amiri ⁽¹⁾ Vancouver, British Columbia, Canada	Ms. Amiri has been a director of the Company since April 1, 2025. Ms. Amiri is a lawyer with 15 years of experience and is a partner at Gowling WLG (Canada) LLP. Her practice focuses on corporate finance, securities, and mergers and acquisitions, serving clients across various sectors, including technology, mining, and life sciences.

Name and Municipality of Residence	Position Held, Date Appointed and Principal Occupation within the past five years
Carmen To ⁽¹⁾⁽²⁾ Vancouver, British Columbia, Canada	Mr. To has been a director of the Company since November 15, 2019 and the Chief Financial Officer of the Company since March 1, 2022. Mr. To is a Chartered Professional Accountant since 2004. Mr. To is co-founder of Rent It Now Property Management Inc. since February 2019 and Basepoint Real Estate Group Corp. since May 2025. He was previously the Controller of Gablecraft Homes Inc. and Henderson Development (Canada) Ltd. and worked at KPMG LLP on both private and public company clients.

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.

The directors listed above will hold office until the next annual meeting of the Company or until their successors are elected or appointed.

Security Holding by Directors and Officers

As at the date hereof, the directors and executive officers, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 14,409,150 Common Shares, representing approximately 11.23% of the issued and outstanding Common Shares.

Cease Trade Orders

Except as disclosed below, to the knowledge of management no director or executive officer as at the date hereof, is or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any Company (including the Company), that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, "order" means: (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant Company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

On January 5, 2023, the British Columbia Securities Commission (the "**BCSC**") (and by reciprocity, the Alberta Securities Commission (collectively, the "**Commissions**")) issued a cease trade order of all the securities of the Company (the "**CTO**") for failure to file its annual audited financial statements, the management's discussion and analysis and the certifications of annual filings for the year ended August 31, 2022 (the "**Financial Materials**"). On March 25, 2023, the Company filed the Financial Materials. On March 29, 2023, the Company filed the outstanding interim financial statements, the management's discussion and analysis, and the certifications of interim filings for the three month period ended November 30, 2022, and the BCSC subsequently issued an order revoking the CTO.

Bankruptcies

To the knowledge of management no director, executive officer of the Company or a Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any Company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or

compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or Shareholder.

Penalties or Sanctions

To the knowledge of management no director, executive officer or Shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has incurred any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Company will be subject to in connection with the operations of the Company. In particular, certain of the directors and officers of the Company are involved in managerial or director positions with other companies whose operations may, from time to time, be in direct competition with those of the Company or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Company.

In accordance with the applicable corporate and securities legislation, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company. Certain of the directors and each of the executive officers of the Company have either other employment or other business or time restrictions placed on them and accordingly, these directors of the Company will only be able to devote part of their time to the affairs of the Company. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable corporate law.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as disclosed elsewhere in this AIF, there are no legal proceedings that the Company is or was a party to, or that any of the Company's property is or was the subject of, since September 1, 2024, that were or are material to the Company, and there are no such material legal proceedings that the Company knows to be contemplated. For the purposes of the foregoing, a legal proceeding is not considered to be "material" by the Company if it involves a claim for damages and the amount involved, exclusive of interest and costs, does not exceed 10% of the Company's current assets, provided that if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the Company has included the amount involved in the other proceedings in computing the percentage. See "*Risk Factors*".

No penalties or sanctions material to Neptune have been imposed by a court or regulatory body, nor has Neptune entered into a settlement agreement in relation to any securities legislation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described elsewhere in this AIF, to the knowledge of Neptune, there is no material interest, direct or indirect, of: (i) any director or executive officer of the Company; (ii) any person or Company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares; or (iii) an associate or affiliate (each, as defined in the *Securities Act* (British Columbia)) of any persons or companies referred to above in (i) or (ii), in any transaction within the three most recently completed

financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

TSX Trust Company is the transfer agent and registrar for the Common Shares at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

Other than the following, there are no material contracts entered into by Neptune within the most recently completed financial year, or before the most recently completed financial year but which are still in effect, other than contracts entered into in the ordinary course of business:

- Loan Agreement (see “*General Development of the Business of the Company – Three Year History – Financial Year Ended August 31, 2025*” and “*The Ongoing Business of the Company – Loans*” for further details.)

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 of the Canadian Securities Administrators by the Company during, or related to, the Company's most recently completed financial year other than HDCPA Professional Corporation, the Company's auditors.

HDCPA Professional Corporation replaced Kenway Mack Slusarchuk Stewart LLP as auditors of the Company on July 30, 2025 and they have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant bodies in Canada and any applicable legislation or regulations.

AUDIT COMMITTEE

Audit Committee Charter

The full text of the Company's Audit Committee Charter is included as Schedule A to this AIF.

Audit Committee Composition

The following are the members of the Audit Committee as at the date hereof:

Name	Independent⁽¹⁾	Financially Literate⁽¹⁾
Dario Meli (Chair)	Yes	Yes
Carmen To, CPA, CA	No	Yes
Tara Amiri	Yes	Yes

Note:

(1) As defined by NI 52-110.

Relevant Education and Experience

Dario Meli

Mr. Meli is the Chair of the Audit Committee and has over 26 years experience building technology companies such as Quietly and Hootsuite, the world's largest social media dashboard. Mr. Meli is an entrepreneur and founder of five different companies, which include Invoke Media, Hootsuite, and Quietly Media. Mr. Meli is presently Executive Chairman for Quietly Media, which he founded in 2013. Mr. Meli previously held the position of Chief Executive Officer & Director at Invoke Media.

Carmen To

Mr. To is a CPA, CA and previously worked at KPMG LLP on both private and public company clients. Mr. To is a co-founder of Rent It Now Property Management Inc. and Basepoint Real Estate Group Corp. and a former Controller of Gablecraft Homes Inc. and Henderson Development (Canada) Ltd. Mr. To completed programs of Bachelor of Commerce from the University of BC (2001) and Chartered Professional Accountant (2004). Mr. To is a Chartered Professional Accountant (CPA, CA) in good standing with the Chartered Professional Accountants of British Columbia.

Tara Amiri

Ms. Amiri is a lawyer with 15 years of experience and is a partner at Gowling WLG (Canada) LLP. Her practice focuses on corporate finance, securities, and mergers and acquisitions, serving clients across various sectors, including technology, mining, and life sciences. Ms. Amiri holds a Bachelor of Commerce degree from the University of British Columbia and a Juris Doctorate degree from the University of Windsor. She serves on the TSXV's local advisory committee and the Corporate Finance Stakeholder Forum of the BC Securities Commission. Additionally, she is Chair of the Board of Directors for Big Sisters of BC Lower Mainland.

Each member of the Audit Committee has:

- an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience with analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's financial year ended August 31, 2025, was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non audit Services*), Subsection 6.1.1(4) of NI 52-110 (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), subsection 6.1.1(6) of NI 52-110

(Death, Incapacity or Resignation) or an exemption from NI 52 110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work which the Chair of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Nature of Services	Fees Paid or Payable to Auditor for Year Ended August 31, 2025 (\$)	Fees Paid or Payable to Auditor for Year Ended August 31, 2024 (\$)
Audit Fees	135,000	102,500
Audit-Related Fees	Nil	Nil
Tax Fees	Nil	10,000
All Other Fees	Nil	Nil
Total	135,000	112,500

Notes:

- (1) **"Audit Fees"** include fees necessary to perform the annual audit and quarterly reviews of our financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) **"Audit-Related Fees"** for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as audit fees. The services provided in this category include due diligence assistance, accounting consultations on proposed transactions, and consultation on International Financial Reporting Standards conversion.
- (3) **"Tax Fees"** include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice.
- (4) **"All Other Fees"** includes all fees other than those reported as Audit Fees, Audit-Related Fees or Tax Fees.

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52 110 in respect of the composition of its audit committee and in respect of its reporting obligations.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, will be contained in the Company's information circular for the next annual meeting of Shareholders that involves the election of directors and additional information as provided in the Company's

comparative financial statements for its most recently completed financial year. Shareholders may contact the Company at its registered office at 1133 Melville Street, Suite 2700, Vancouver, B.C. V6E 4E5, Telephone: +1 (800) 545-0941, Email: info@neptunedigitalassets.com to request such additional copies. The documents will also be located on SEDAR+ at www.sedarplus.com.

Additional financial information is provided in the Company's comparative audited consolidated annual financial statements and management's discussion and analysis for the year ended August 31, 2025, which are also available on SEDAR+.

SCHEDULE A

NEPTUNE DIGITAL ASSETS CORP. (FORMERLY, NEPTUNE DASH TECHNOLOGIES CORP.)

AUDIT COMMITTEE CHARTER

I. GENERAL

1. Organization

There shall be a committee of the board of directors (the “**Board**”) of Neptune Dash Technologies Corp. (“**Neptune**”) known as the Audit Committee (the “**Committee**”). This charter shall govern the operations of the Committee.

2. Purpose and Role of the Committee

The Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, reporting practices, systems of internal accounting and financial controls, the annual independent audit of Neptune’s financial statements, and the legal compliance and ethics programs of Neptune as established by management and the Board shall also perform any other related duties as directed by the Board. In fulfilling this role, the Committee is expected to maintain free and open communications with the independent auditor and management of Neptune and shall meet at least once each quarter.

While the Committee has the responsibilities and powers set forth below in this charter under the headings “Authority” and “Responsibilities and Processes”, it is not the duty of the Committee to conduct audits or to determine that Neptune’s financial statements are fairly presented and are in accordance with generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles. It is the role of the independent auditor to audit the financial statements.

II. PROCEDURAL MATTERS

1. Composition

The membership of the Committee shall be appointed by the Board and shall consist of at least three directors, the majority of whom will be non-officers (the “**Independent Directors**”).

2. Member Qualifications

Each independent member of the Committee shall be, while at all times a member of the Committee, free of any relationship that, in the opinion of the Board, would interfere with the member’s individual exercise of independent judgment.

Each member of the Committee shall be, while at all times a member of the Committee, generally knowledgeable in financial and auditing matters, specifically possessing the ability to read and understand fundamental financial statements including Neptune’s balance sheet, statement of operations and statement of cash flows.

The Board shall appoint one member of the Committee as chair. The chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting to the Board. The chair will also maintain regular liaison with Neptune’s Chief Executive Officer, Chief Financial Officer and lead independent audit partner.

III. AUTHORITY

The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of Neptune. The Committee has the power to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties. Neptune shall provide appropriate funding, as determined by the Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Neptune and for any advisors employed by the Committee as well as for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

IV. RESPONSIBILITIES

1. Primary Responsibilities

The Committee's primary responsibilities include:

- a) Overseeing Neptune's financial reporting process on behalf of the Board and reporting the results or findings of its oversight activities to the Board.
- b) Having sole authority to appoint, retain and oversee the work of Neptune's independent auditor and establishing the compensation to be paid to the independent auditor. Neptune's independent auditor shall report directly to the Committee.
- c) Establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and/or auditing matters for the confidential, anonymous submission by Neptune's employees of concerns regarding questionable accounting or auditing matters.
- d) Pre-approving all audit services and permissible non-audit services as may be amended from time to time.
- e) Overseeing Neptune's system to monitor and manage risk, and legal and ethical compliance programs, including the establishment and administration (including the grant of any waiver from) a written code of ethics applicable to each of Neptune's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to react more effectively to changing conditions and circumstances. The Committee shall take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behaviour.

2. Recurring Responsibilities

The following shall be the principal recurring processes of the Committee relating to its oversight responsibilities. These processes are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and is not intended be a comprehensive list of all the actions that the Committee will take in discharging its duties. These processes are:

- a) Discussing with the independent auditor the objectivity and independence of the auditor and any relationships that may impact the auditor's objectivity or independence and receiving from the independent auditor disclosures regarding its independence and written affirmation that the

independent auditor is in fact independent, and taking any action, or recommending that the Board take appropriate action to oversee the independence of the independent auditor.

- b) Overseeing the independent auditor relationship by discussing with the auditor the nature and scope of the audit process, receiving and reviewing audit reports, and providing the auditor full access to the Committee to report on any and all appropriate matters. The Committee has the sole authority to resolve disagreements, if any, between management and the independent auditor.
- c) Discussing with the independent auditor and Neptune's financial and accounting personnel, together and in separate sessions, the adequacy and effectiveness of the accounting and financial controls of Neptune and eliciting recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures may be desirable.
- d) Providing sufficient opportunity for the independent auditor to meet with the members of the Committee without members of management present. Among the items to be discussed in these meetings are the independent auditor's evaluation of Neptune's financial and accounting personnel and the cooperation that the independent auditor received during the course of the audit.
- e) Discussing with management their review of the adequacy of Neptune's disclosure controls and procedures, the effectiveness of such controls and procedures and any findings following such review.
- f) Reviewing Neptune's system to monitor, assess and manage risk and legal and ethical compliance program.
- g) Reviewing and discussing with management and the independent auditor prior to the filing of Neptune's annual report:
 - 1. Neptune's annual financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis.
 - 2. The selection, application and effects of Neptune's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management.
 - 3. Alternative and preferred treatment of financial information under generally accepted accounting principles.
 - 4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material, current or future, effect on the financial condition of Neptune.
 - 5. Any material written communications between the independent auditor and management.
 - 6. The independent auditor's audit of the financial statements and its report thereon.
 - 7. Any significant finding and recommendations of the independent auditor and management's responses thereto.
 - 8. Any significant changes in the independent auditor's audit plan.
 - 9. Any serious difficulties or disputes with management encountered during the course of the audit.

10. Any related significant findings and recommendations of the independent auditor together with management's responses thereto.
 11. Other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- h) Preparing a report to be included in Neptune's Information Circular that states the Committee has:
1. Analyzed and discussed the audited financial statements with management;
 2. Discussed with the independent auditor the auditor's independence;
 3. Considered the audit and non-audit services provided by the independent auditor, and the fees paid for such services; and
 4. The Committee shall review in advance all announcements of interim and annual financial results, as well as any periodic guidance to be publicly released by Neptune and discuss such announcements with management and the independent auditors.
- i) Reviewing and discussing with management and the independent auditor prior to the filing of Neptune's Quarterly Report:
1. CFO's interim financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis"
 2. The selection, application and effects of Neptune's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management.
 3. Alternative and preferred treatment of financial information under generally accepted accounting principles.
 4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material current or future effect on the financial condition of Neptune.
- j) Reviewing and either approving or disapproving all related party transactions.
- k) Submitting the minutes of all meetings of the Committee to, or discussing the matters discussed at each committee meeting with, the Board
- l) Reviewing and assessing the adequacy of this charter annually and recommend any proposed changes to the Board for its approval.
- m) The Chairman of the Committee, or another Committee member designated by the Chairman, is authorized to act on behalf of the Committee with respect to required Committee responsibilities which arise between regularly scheduled Committee meetings, with the independent auditors and management, as well as the pre-approval of non-audit services provided by the independent auditors, as necessary, as contemplated by the Committee's policies. Any such pre-filing discussions and pre-approvals shall be reported to the Committee at a subsequent meeting.

Approved by the Board of Directors on: January 17, 2018.