Bitcoin Treasury Corporation

(formerly 2680083 Alberta Ltd.)

Condensed Interim Financial Statements
For the six months ended June 30, 2025

(Unaudited - Expressed in Canadian Dollars)

Bitcoin Treasury Corporation
(formerly 2680083 Alberta Ltd.)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at June 30, 2025
(Unaudited - Expressed in Canadian Dollars)

	Notes	June 30, 2025 (Unaudited) $	December 31, 2024 (Audited) $
ASSETS			
Current			
Cash		4,339,238	-
Prepaid expenses		10,000	-
Digital currency	6	112,929,279	-
Total assets		**117,278,517**	**-**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		265,925	-
Due to a related party	9	154,777	-
Total current liabilities		420,702	-
Convertible debentures	7	25,000,000	-
Total liabilities		25,420,702	-
Shareholders' equity			
Share capital		95,576,036	-
Reserves		24,078,424	-
Retained earnings		(27,796,645)	-
Total shareholder's equity		91,857,815	-
Total liabilities and shareholders' equity		**117,278,517**	**-**

Approved on Behalf of the Board of Directors on August 29, 2025:

/s/ Raj Lala	***/s/ Michael Simonetta***
Director	**Director**

The accompanying notes are integral part of these condensed interim financial statements

Bitcoin Treasury Corporation
(formerly 2680083 Alberta Ltd.)
CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
For the Six Months Ended June 30, 2025
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended June 30, 2025	Six months ended June 30, 2025
		$	$
Expenses			
Marketing and investor relations		92,598	92,598
Consulting fees		1,034	1,034
General and administrative fees		10,384	10,692
Filing fees		106,182	106,182
Professional fees		1,113,313	1,113,313
Share-based payments	8	24,078,424	24,078,424
Total operating expenses		25,401,935	25,402,243
Other expenses			
Finance expense	7	1,410,299	1,410,299
Foreign exchange loss		469	469
Interest expense	7	4,795	4,795
Unrealized loss on digital currency	6	198,074	198,074
Listing expense	5	780,765	780,765
		2,394,402	2,394,402
Net loss and comprehensive loss for the period		**(27,796,337)**	**(27,796,645)**
Basic and diluted loss per share		(35.67)	(70.95)
Weighted average number of shares outstanding – basic and diluted		779,267	391,786

The accompanying notes are integral part of these condensed interim financial statements

Bitcoin Treasury Corporation
(formerly 2680083 Alberta Ltd.)
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
For the Six Months Ended June 30, 2025
(Unaudited - Expressed in Canadian Dollars)

	Share Capital					
	Number of Common Shares	**Number of Foundation Shares**	**Share Capital**	**Reserves**	**Accumulated Deficit**	**Total Shareholders' Equity**
			$	**$**	**$**	**$**
Balance, December 31, 2024						
Shares issued upon reverse takeover (Note 5)	74,999	-	749,990	-	-	749,990
Common shares issued	1	-	-	-	-	-
Foundation shares issued	-	80	-	-	-	-
Foundations shares exchanged (Note 8)	80	(80)	-	-	-	-
Concurrent financing – shares (Note 8)	10,000,000	-	100,000,000	-	-	100,000,000
Concurrent financing – share issuance costs (Note 8)	-	-	(5,173,954)	-	-	(5,173,954)
Share-based payments (Note 8)	-	-	-	24,078,424	-	24,078,424
Net loss and comprehensive loss	-	-	-	-	(27,796,645)	(27,796,645)
Balance, June 30, 2025	**10,075,080**	**-**	**95,576,036**	**24,078,424**	**(27,796,645)**	**91,857,815**

Bitcoin Treasury Corporation
(formerly 2680083 Alberta Ltd.)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the Six Months Ended June 30, 2025
(Unaudited - Expressed in Canadian Dollars)

	June 30, 2025
	$
Operating activities	
Net loss for the period	(27,796,645)
Non-cash items:	
Share-based payments	24,078,424
Unrealized loss on digital currency	198,074
Listing expense	780,765
Changes in non-cash working capital:	
Prepaid expenses	(10,000)
Due to a related party	154,777
Accounts payable and accrued liabilities	235,150
Cash used in operating activities	(2,359,455)
Investing activities	
Purchase of digital currency	(113,127,353)
Cash used in investing activities	(113,127,353)
Financing activities	
Proceeds from issuance of shares	100,000,000
Share issuance costs	(5,173,954)
Proceeds from issuance of convertible debentures	25,000,000
Cash provided by financing activities	119,826,046
Net increase in cash during the period	4,339,238
Cash, beginning of period	-
Cash, end of period	4,339,238

1. NATURE OF OPERATIONS

Bitcoin Treasury Corporation (formerly 2680083 Alberta Ltd.) (“the Company”) was incorporated under the Business Corporations Act (British Columbia) on July 27, 2021. The business continued from British Columbia to Alberta on January 21, 2025. The principle business of the Company is to provide Bitcoin services to institutional clients, including lending and, once it is registered as a Money Services Business, liquidity and collateral solution. The Company’s head office is located at 161 Bay St., Suite 1210, Toronto, ON M5J 2S1.

On June 23, 2025, the Company completed an amalgamation with Bitcoin Treasury Corporation (“BTCT”) pursuant to the provisions of the Business Corporations Act (Alberta), (the “Transaction”). Upon completion of the Transaction, the shareholders of BTCT obtained control of the consolidated entity. As a result, BTCT was identified as the accounting acquirer, and accordingly, the entity is considered to be a continuation of BTCT with the net assets of the Company at the date of the reverse takeover deemed to have been acquired by BTCT.

Immediately prior to the completion of the Transaction, the Company completed a consolidation of the common shares of the Company based on a ratio of one post-consolidation common share for each 51.66712593 pre-consolidation common shares, resulting in an aggregate of 74,999 common shares.

On June 24, 2025, in connection with the Transaction, the newly amalgamated entity received approval from the TSX Venture Exchange and trading commenced under the symbol BTCT.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and adhere to the guidance of International Accounting Standard 34 – Interim Financial Reporting. The Company has consistently applied the accounting, estimation and judgement policies described in the Company’s audited financial statements for the year ended December 31, 2024. These condensed interim financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2024 and the Company’s financial statements for the period from incorporation to April 30, 2025 that was included as part of the filing statement pursuant to the Transaction.

These financial statements were approved by the Board of Directors for issue on August 29, 2025.

b) Basis of preparation

The financial statements have been prepared on a going concern basis using the historical cost convention. In addition, these financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

c) Presentation and functional currency

The Company’s functional currency is the Canadian dollar, which is the currency of the primary economic environment in which it operates. The Company’s performance is evaluated, and its liquidity is managed in Canadian dollars. Therefore, the Canadian dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Company’s presentation currency is also the Canadian dollar.

d) New standards, amendments and interpretations adopted

Several standards and amendments and interpretations to published standards that became effective for the Company’s financial period ending on June 30, 2025, were not relevant or not significant to the Company’s operations and accordingly did not impact Bitcoin Treasury Corporation.

e) New standards, amendments and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are not yet effective as of June 30, 2025 and have not been applied in preparing these financial statements.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the International Accounting Standards Board ("IASB") issued amendment to IFRS 9 and IFRS 7. Among other amendments, IASB clarified that a financial liability is derecognised on the 'settlement date' and introduced an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18, which replaces International Accounting Standard 1, Presentation of Financial Statements. It introduces several new requirements that are expected to impact the presentation and disclosure of the financial statements. These include:

- The requirement to classify all income and expense into specified categories and provide specified totals and subtotals in the statement of profit or loss.
- Enhanced guidance on the aggregation, location and labeling of items across the financial statements and the notes to the financial statements.
- Required disclosures about management-defined performance measures.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027 with early adoption permitted.

The Company is currently assessing the effect of the above standards and amendments. No other new standards, amendments, and interpretations are expected to have a material effect on the financial statements of the Company.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the period from incorporation to April 30, 2025 that was included as part of the filing statement pursuant to the Transaction and have been consistently followed in the preparation of these condensed interim financial statements. Further policies have been included to reflect additional transactions and adjustments which are, in the opinion of management, necessary for a fair presentation of results for the interim period presented in accordance with IFRS.

Business combinations

Business combinations are accounted for using the acquisition method of accounting, whereby identifiable assets acquired, and liabilities assumed are recorded at fair market value as of the date of acquisition with the excess of the purchase price over such fair value recorded as goodwill (if applicable). If a transaction does not meet the definition of a business combination as per IFRS standards, the transaction is recorded as an acquisition of an asset.

Digital currency

Digital currency consists of Bitcoin, a cryptocurrency-denominated asset, and is included in current assets. Digital currencies meet the definition of intangible assets in IAS 38, "Intangible Assets" as they are identifiable non-monetary assets without physical substance. Purchased digital currencies are initially recorded at cost. The revaluation method is used to measure the digital currencies subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in the statements of loss and comprehensive loss. There is no recycling of gains from other comprehensive income in the statements of loss and comprehensive loss, except to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in the statements of loss and comprehensive loss, that increase is recorded in the statements of loss and comprehensive loss.

Digital currency held by the Company is valued at its fair value using the CME CF Bitcoin Reference Rate listed on "Cfbenchmarks.com". The CME CF Bitcoin Reference Rate (BRR) is a once a day benchmark index price for Bitcoin that aggregates trade data from multiple Bitcoin-USD markets operated by major cryptocurrency exchanges that conform to the CME CF Constituent Exchange Criteria. Subsequent to initial recognition, digital currencies are remeasured at each reporting period to the Canadian dollar price.

Convertible debentures

As the convertible debentures have one or more embedded derivatives, the Company has designated the convertible debentures at fair value through profit or loss as per IFRS 9, *Financial Instruments*.. At the end of each reporting period, the convertible debenture is revalued at fair value with any change in the fair value attributable to changes in the credit risk presented in other comprehensive income and the remaining amount of change in fair value recorded through profit and loss. Transaction costs that are directly attributed to the issuance of the debentures are expensed in full in the statement of profit and loss, along with interest accrued through to the reporting date.

Share issuance costs

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

Share-based compensation

Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. If it is determined the fair value of the goods or services cannot be reliably measured, share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, and is recorded at the date the goods or services are received. The corresponding amount is recorded to reserves.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other condition attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

4. JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

(Unaudited - Expressed in Canadian Dollars)

Estimates

Share-based compensation

Compensation expenses relating to performance warrants granted by the Company is based on the fair value of the option. The determination of fair value requires the use of estimates and assumptions and is, by nature, subject to measurement uncertainty.

Income Taxes

The determination of current and deferred taxes requires interpretations of tax legislation, estimates of expected timing of reversal of deferred tax assets and liabilities, and estimates of future earnings.

Judgments

The key areas of judgment that have a significant risk of causing a material adjustment to the amounts recognized in the financial statements are:

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing these financial statements. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management has determined that the Company is a going concern given the current cash balance of $4,339,238. In the event, where current cash reserves are not sufficient to cover operations, the Company will liquidate a portion of its current digital currency holdings to meet its financial obligations.

5. REVERSE TAKEOVER

On May 17, 2025, the Company and BTCT entered into an amalgamation agreement, whereby the Company would acquire all issued and outstanding shares of BTCT, and shareholders of BTCT would receive one share in the Company for each share held in the Company. The transaction closed June 23, 2025.

Upon completion of the Transaction, former shareholders of BTCT own 99% and the existing shareholders of the Company own 1% of the issued and outstanding common shares of the Company. As a result, former shareholders of BTCT acquired control of the Company, thereby constituting a reverse takeover of the Company. The reverse takeover is considered a purchase of the Company's net assets by the shareholders of BTCT.

The Transaction is accounted for in accordance with guidance provided in IFRS 2, "Share-Based Payment" and IFRS 3, "Business Combinations". As the Company did not qualify as a business according to the definition in IFRS 3, this Transaction is treated as an issuance of shares by BTCT for the net assets of Company.

The purchase price is allocated as follows:

	$
Fair value of common shares retained by former shareholders of the Company (74,999 shares at $10.00 per share)	749,990
Total consideration paid	**749,990**
Net liabilities assumed of the Company:	
Accounts payable and accrued liabilities	30,967
	30,967
Excess consideration - listing expense	**780,957**

The fair value of $10.00 per share was based on the most recent financing completed prior to the Transaction.

6. DIGITAL CURRENCY

As at June 30, 2025, the Company held Bitcoin as its digital currency. Bitcoin is recorded at its fair value on the date it is received and is revalued at its current market value at each reporting date. Fair value is determined by taking the CME CF Bitcoin Reference Rate ("BRR") as listed on "cfbenchmarks.com" at 4:00 p.m. London time and using the USD-CAD WMR FX Benchmark at 4:00 p.m. London time.
The continuity of digital currency is as follows:

	BTC Units	$
Balance, December 31, 2024	**-**	**-**
Digital currency purchased	771.38	113,127,353
Digital currency revaluation	-	(198,074)
Balance, June 30, 2025	**771.38**	**112,929,279**

7. CONVERTIBLE DEBENTURES

On June 23, 2025, the Company closed a brokered private placement of secured convertible debentures for gross proceeds of $25,000,000. The debentures are collateralized by the Company's Bitcoin holdings. The debentures mature in five years after issuance and bear interest at the rate of 1% per annum payable semi-annually. Pursuant to the terms of the debentures, the holder may, at the earlier of the maturity date and the date fixed for redemption by the Company, convert the principal amounts of the debentures and any accrued but unpaid interest into common shares of the Company, at a price of $12.00 per common share. In connecting with the offering, the Company paid finders' fees of $1,252,500 and incurred $157,799 in other transaction costs.

The convertible debentures are secured against the Company's Bitcoin holdings. The Company is required to hold $75,000,000 in Bitcoin as collateral, representing 3.0 times the dollar value of the debentures. The value of the collateral was calculated the day before the debentures were issued, and, in addition, is recalculated at the end of every calendar quarter. The calculation is based on a 10-day average lookback (the "Average Bitcoin Price") determined by the daily rate denominated in U.S. dollars by the CME CF Bitcoin Reference, published on the CME website (https://www.cfbenchmarks.com/data/indices/BRR) at 4:00 p.m. London time. In a quarter where the Average Bitcoin Price is greater than 133.3% of the Average Bitcoin Closing Price, collateral equal to 40% of the increase in the value of the collateral above the Average Bitcoin Closing Price will be irrevocably released. For each calendar quarter subsequent to the initial Bitcoin Price Collateral Release, additional collateral will only be irrevocably released to the extent that the Average Bitcoin Price calculated as of the end of such quarter exceeds the highest Average Bitcoin Price at which any previous Bitcoin Price Collateral Release occurred, in the amount of 40% of the increase in the value of the collateral above the highest previous Average Bitcoin Price.

As the convertible debenture contains more than one embedded derivative which all, under select circumstances, may be repaid in cash, the Company has designated the convertible debentures at fair value through profit or loss. As at June 30, 2025, the fair value of the convertible debentures approximated the cost and therefore no gain or loss was recorded on the revaluation of the debenture,

In connection with the financing, the Company incurred $1,410,299 in financing costs related to the issuance of the debt. The transaction costs have been expensed in full in the statement of net loss and comprehensive loss.

During the six months ended June 30, 2025, the Company accrued interest expense of $4,795 and is included in accounts payable and accrued liabilities.

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL

a) Share capital

Authorized: unlimited Class A common shares without par value.

Share capital activity for the six months ended June 30, 2025

On May 16, 2025, BTCT issued 1 common share to the Chief Executive Officer for $0.01 per share and 80 Foundation Shares for $0.001 per share to certain directors and key management of BTCT.

On June 12, 2025, BTCT amended its articles, exchanging 80 Foundation Shares for 80 common shares.

On June 23, 2025, in connection with the Transaction, the Company issued 74,999 common shares (Note 5).

On June 23, 2025, the Company closed a concurrent brokered private placement of 9,573,350 common shares for gross proceeds of $95,733,500. In connection with the financing, the Company incurred agent’s fees of $4,936,778, and legal and other fees of $57,797.

On June 26, 2025, the Company closed its brokered offering of 426,650 common shares for gross proceeds of $4,266,500. In connection with the financing, the Company incurred agent’s fees of $179,377.

b) Performance warrants

On June 19, 2025, the Company issued 2,431,667 performance warrants to officers and directors of the Company. Performance warrants are exercisable at a price of $0.001 per share until June 19, 2035. No additional grants of performance warrants can be made under this plan. The performance warrants vest at any time if the following conditions have been met:

i. The fair value of digital currency meets or exceeds the target levels set out below:

Tranche	% of Total Performance Warrants Issued	Bitcoin Holding Value (CAD)
1	25%	$135,000,000
2	25%	$158,000,000
3	25%	$180,000,000
4	25%	$203,000,000

ii. The price of Bitcoin is higher than the price of Bitcoin on the day the performance warrants were granted; and

iii. Each year, performance warrants may only vest in proportion to growth in Bitcoin per share ("BPS"). The percentage increase in BPS sets the maximum vesting rate. The annual BPS growth is then multiplied by the total fully diluted common shares outstanding (excluding unvested performance warrants) to determine the maximum number of performance warrants eligible to vest in that year. In years 1–3, vesting is matched proportionately with Bitcoin per share growth to align with increases in shareholder value.

Upon the first occurrence of any condition set out above being met, such condition will be considered as satisfied indefinitely.

(Unaudited - Expressed in Canadian Dollars)

Share-based compensation costs attributable to performance warrants granted are measured at their fair value at the grant date based on the inputs noted below. As the conditions noted above are considered to be non-vesting conditions, the entire fair value was expensed on grant date with a corresponding increase to contributed surplus. The fair value of performance warrants on the date of grant was determined using the Black-Scholes Option pricing Model with the following assumptions: i) exercise price: $0.001; ii) share price: $10.00; iii) term: 10 years; iv) volatility: 100%; v) discount rate: 3.12%.

The shared-based compensation expense of $24,078,424 recognized also assumes a probability that the vesting condition of each tranche is met, which, on a weighted-average basis, was 99%.

c) Loss per share

Basic loss per share is calculated by dividing the net loss by the weighted average number of shares. The basic and fully diluted loss per share for the three and six months ended June 30, 2025 are as follows:

	For the three months ended June 30, 2025 $	For the six months ended June 30, 2025 $
Net loss for the period	(27,796,337)	(27,796,645)
Weighted average number of shares outstanding	779,267	391,786
Basic and diluted loss per share	**(35.67)**	**(70.95)**

No performance warrants or convertible debentures have been included in the computation of weighted average number of shares outstanding as their effect would be anti-dilutive.

9. RELATED PARTIES

As at June 30, 2025, $4,042 is due to a director of the Company. The amount is owed for reimbursement of general and administrative expenses incurred during the period and is included in accounts payable and accrued liabilities.

As at June 30, 2025, $154,777 is owed to Evolve Funds Group Inc. The amounts owed are for the reimbursement of expenses incurred for prepaid deposits and general and administrative expenses during the period.

Effective June 4, 2025, the Company entered into an agreement with Evolve Funds Group Inc. ("Evolve"), whereby Evolve has committed to provide specific operational functions, as directed by BTCT, in exchange for an annual fee of up to 1% of the value of the Company's treasury holdings, converted to Canadian dollars, and accrued daily.

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

11. FINANCIAL INSTRUMENTS

As at June 30, 2025, the Company's financial instruments consist of cash, digital currency, accounts payable and accrued liabilities and convertible debentures. The Company's cash and accounts payable and accrued liabilities are measured under amortized cost. As at June 30, 2025, the fair value of the Company's cash and accounts payable and accrued liabilities approximates carrying value. The Company's convertible debentures and digital currency are measured at fair value.

Financial instruments that are measured subsequent to initial recognition at fair value are categorized using the fair value hierarchy. This hierarchy groups financial instruments in Levels 1 to 3 based on the degree to which the fair value, for that instrument, is observable:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable marker data (unobservable inputs).

The table below summarizes the Company's fair value measurement hierarchy for its financial assets and financial liabilities held at fair value.

June 30, 2025	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Financial assets				
Assets carried held at fair value				
Digital currency	112,929,279	-	-	112,929,279
Total financial assets held at fair value	**112,929,279**	**-**	**-**	**112,929,279**
Financial liabilities				
Liabilities carried held at fair value				
Convertible debentures	-	-	25,000,000	25,000,000
Total financial liabilities held at fair value	-	**-**	**25,000,000**	**25,000,000**

As at June 30, 2025, the fair value of the convertible debentures approximates the cost given the proximity to the issuance date and has been recorded at a fair value of $25,000,000.

12. RISK MANAGEMENT

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adhere to market conditions. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the risks and the Company's objectives, policies, and processes for measuring and managing these risks. Further quantitative disclosures are included as applicable.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. As at June 30, 2025, the Company has a working capital balance of $116,857,815 and has sufficient funds to cover operating needs over the next twelve months.

Currency risk

The Company's expenses are primarily denominated in Canadian dollars. The Company's corporate offices are based in Canada and current exposure to exchange rate fluctuations is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The fair value of the convertible debentures is influenced by market interest rates. As at June 30, 2025, management has assessed interest rate risk to be limited.

(Unaudited - Expressed in Canadian Dollars)

Price risk

Price risk is the risk of dispositions of investments at less than favourable prices due to unfavourable market conditions. The Company is exposed to significant price risk due to its holding of Bitcoin as its digital currency. The value of Bitcoin has historically been very volatile and unpredictable. As at June 30, 2025, the Company had $112,929,279 in digital currency on its statement of financial position. A precipitous drop in the price of Bitcoin that the Company holds will adversely impact the Company's operations. A 20% decrease in the value of Bitcoin would impact the Company's comprehensive net loss by $22,586,000.

13. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	For the six months ended June 30, 2025
	$
Net loss	(27,796,645)
Statutory income tax rate	26.5%
Expected income tax recovery	(7,336,111)
Financing fees	(1,744,827)
Non-deductible items	6,961,465
Change in unrecognized deferred income tax assets	2,149,473
Income tax recovery	-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities.

	For the six months ended June 30, 2025
	$
Digital currencies	52,490
Share issuance costs	1,395,862
Non-capital losses	701,122
	2,149,473
Unrecognized deferred tax assets	(2,149,473)
Net deferred income tax assets	-

As at June 30, 2025 the Company had non-capital loss carry forwards of $2,645,742, factored into the calculation above, which can be applied to reduce future Canadian taxable income and will expire in 2045.