The date of this MD&A is August 29, 2025.

The following management discussion and analysis (“MD&A”) of the results of the operations and financial position of Bitcoin Treasury Corporation (the “Company” or “BTCT”) for the three and six months ended June 30, 2025 should be read in conjunction with the Company’s condensed interim financial statements for the three and six months ended June 30, 2025. All figures contained in this MD&A are presented in Canadian dollars.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company’s future performance. All statements, other than statements of historical fact, may be 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”, “propose”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

Non-GAAP Measures

This MD&A includes a non-GAAP financial measure. A non-GAAP financial measures is not considered to be a standardized financial measure under International Financial Reporting Standards (“IFRS”), the reporting standards used to prepared the condensed interim financial statements. As such, the non-GAAP financial measure may not be comparable to similar financial measures disclosed by other issuers.

Bitcoin per Share (“BPS”) is considered a non-GAAP financial measure. BPS is calculated as total units of Bitcoin held by the Company divided by adjusted diluted shares outstanding. Adjusted diluted shares outstanding includes all common shares, and convertible debentures, but excludes any performance warrants.

The Company

Bitcoin Treasury Corporation (formerly 2680083 Alberta Ltd.) ("the Company") was incorporated on July 27, 2021 under the Business Corporations Act (British Columbia) under the name "1317214 B.C. Ltd." On January 21, 2025, 268 continued from British Columbia to Alberta under the Business Corporations Act (Alberta) under the name "2680083 Alberta Ltd." Bitcoin Treasury Corporation ("BTCT") was incorporated on December 20, 2024, under the Business Corporations Act (Alberta).

On June 23, 2025, the Corporation was formed upon an amalgamation between 26800783 Alberta Ltd. and BTCT by way of a reverse takeover pursuant to the terms of an amended and restated amalgamation agreement dated June 16, 2025 (the "Transaction"). In connection with the Transaction, the Company's name became "Bitcoin Treasury Corporation".

The principle business of the company is to provide Bitcoin services to institutional clients, including lending and, liquidity and collateral solution. The Company's head office is located at 161 Bay St., Suite 1210, Toronto, ON M5J 2S1.

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 RTO 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 (1) 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.

Overview of Business

The Company plans to provide Bitcoin services to institutional clients, including lending and, once it is registered as a Money Services Business, liquidity and collateral solution as set out below. Recognizing Bitcoin's finite supply and long-term potential, the Company also follows a treasury strategy that seeks to enhance the value of its Bitcoin inventory while supporting the development of its core business lines. The Company expects that its institutional client base will include large corporations, institutional asset managers, regulated crypto asset trading platforms and investment funds that invest in Bitcoin.

Phase 1: Bitcoin Lending Services

The Company will offer Bitcoin-denominated lending services to institutional clients while ensuring that BTCT maintains financial security and minimizes credit risk exposure. In the initial phase of its business, the Company's lending services will only include Bitcoin-denominated loans, whereby institutional clients will be able to borrow Bitcoin and will repay the principal and interest on such loans in Bitcoin. No fiat currency payments will be made or received and, accordingly, the first phase of the Company's lending services will not involve an exchange of virtual currency or any virtual currency transfer service. As a result, this initial business can be conducted by the Company without being registered as a Money Services Business. Bitcoin lending is a strategic component of the Company's business model and will allow the Company to generate yield on its Bitcoin holdings while supporting the broader digital asset ecosystem.

During the quarter, the Company focused on the development of its lending strategy, including form and structure of lending agreements, and development of robust AML and KYC policies. As of June 30, 2025, the Company does not have any active loan agreements.

Phase 2: Bitcoin Liquidity Services and Bitcoin/Fiat Lending Services

The Company has applied to be a Money Services Business registered with FINTRAC. If such registration is obtained, the Company intends to offer Bitcoin liquidity services to its institutional clients. Bitcoin liquidity services will only be offered to Canadian clients who acquire their Bitcoin on an "immediately delivery" basis. It is expected that this service will help clients to better manage their treasury and portfolio functions. As part of this phase, the Company will also expand its lending services to include the ability to accept fiat as interest payments or as collateral for Bitcoin-denominated loans.

Phase 3: Layer 2 Liquidity and Collateral

The Company is also committed to capitalizing on the accelerating adoption of Bitcoin by delivering innovative virtual currency services to institutions, as well as advancing infrastructure and operational capabilities for Bitcoin Layer 2 networks. As part of this commitment, the Company is exploring how it will be able to deploy its Bitcoin inventory to Layer 2 Bitcoin networks by providing liquidity or collateral as the market for Bitcoin lending and collateral products is nascent and developing rapidly. Opportunities to develop this additional business line in the future will be evaluated as market conditions change.

Corporate Finance Strategy for Strategic Bitcoin Accumulation

In addition to its core business lines, the Company's corporate treasury strategy is designed to maximize long-term Bitcoin accumulation and to enhance shareholder value by focusing on the growth of both total Bitcoin holdings and Bitcoin per share. The Company aims to raise low-cost capital through equity, convertible debt, and potentially other instruments such as preferred shares, and then deploying these proceeds to acquire and hold Bitcoin as a strategic reserve asset that will then allow it to grow its core business lines. The Company's core revenue-generating products and services will also contribute to the growth of its Bitcoin inventory. The success of this strategy will be measured by key metrics such as Bitcoin per share, Bitcoin per share growth, and total Bitcoin holdings.

As Bitcoin increasingly fulfills its role as a store of value, medium of exchange, and unit of account, the Company anticipates significant opportunities at the intersection of traditional and decentralized finance. With deep industry relationships and plans to hold a significant inventory of Bitcoin, the Company is well positioned to lead and drive new product and service opportunities and value creation in this evolving financial landscape.

Quarterly Highlights

- During the three months ended June 30, 2025, the Company closed $100,000,000 in a brokered private placement and brokered offering of common shares. The Company closed an additional $25,000,000 in convertible debentures.
- The Company made its initial bitcoin purchase of 771.37 BTC at a cost of $113,127,353 with the proceeds from the financing. This purchase will allow the Company to begin the development its lending strategy and business as outlined in Phase 1 above.

Summary of Quarterly Results[1]

	For the three months ended June 2025
Total Assets	$117,278,517
Total Revenues	$Nil
Total Expenses	$27,796,337
Net loss and comprehensive loss	$27,796,337
Basic and fully diluted net loss per share	$(35.67)
Bitcoin holdings	₿ 771.37
Adjusted diluted shares outstanding	12,158,413
BPS[2]	₿ 0.0000634

Overall Performance

Net loss and comprehensive loss was $27,796,645 for the six months ended June 30, 2025. The Company was focused on pursuing the amalgamation and closing of a concurrent financing during the period. The majority of expenses incurred in relation to the amalgamation, financing and listing of the Company.

Results of Operations

Net loss for the six months ended June 30, 2025

Net loss and comprehensive loss was $27,796,645 for the six months ended June 30, 2025. A increase of $24,078,424 in share-based payments related to the issuance of performance warrants to key management and directors of the Company. Although the expense related to performance warrants have been fully recognized, as of June 30, 2025, none of the performance warrants have vested. The Company incurred professional fees of $1,113,313. Professional fees included $980,504 in legal fees relating to the

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[1] As the Company completed an amalgamation on the June 23, 2025, there are no prior published quarterly results of the Company to disclose.
[2] BPS is a non-GAAP measure calculated as units of Bitcoin held as at June 30, 2025, divided by adjusted diluted shares outstanding. Adjusted diluted shares outstanding includes common shares of 10,075,080 and convertible debentures of 2,083,333.

Company’s listing and amalgamation, as well as in relation to the development of the Company’s lending business and the application for a Money Services Business license. Professional fees also included $96,050 in audit related fees and $36,759 in accounting fees. Other expenses of $106,182 were incurred in filing fees related to the listing and amalgamation of the Company.

The total revenue for the Company was $Nil for the period. There were no significant factors that caused changes in total revenue as the Company has not initiated lending operations, and has not earned revenue historically. There is no cost of sales or gross profits.

There is no change in the relationship between costs and revenue. There are no commitments, events, risks, or uncertainties that will materially affect the Company's future performance. There are no unusual or infrequent events or transactions. There were no significant effects of general inflation or other specific price changes.

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Additional Disclosure for Venture Issuers without Significant Revenue

There were no material general and administrative expenses for the period. Professional fees consisted of $132,809 in accounting and audit fees and $980,504 in legal fees.

Liquidity and Capital Resources

The Company had a working capital of $116,857,815 as of June 30, 2025. The Company does not have revenues from operations, the Company’s current cash balance of $4,339,238 is sufficient to cover operating expenses over the following 12 months. In the event additional capital is required, the Company will rely on the sale of Bitcoin Holdings or outside funding for its continuing financial liquidity. There are no sources of financing arranged but not yet used by the Company.

The Company does not have any major commitments for capital expenditures at this time.

There are no known trends in the Company's expenditures.

Outstanding Share Data

As of the date of the MD&A, 10,075,080 common shares and 2,431,667 performance warrants were issued and outstanding.

Off-Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements.

Commitments

As at June 30, 2025, the Company had no outstanding commitments.

Related Party Transactions

As at June 30, 2025, $4,042 was due to Rajesh Lala, 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 was owed to Evolve Funds Group Inc.[3] 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.

Financial 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.

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[3] Elliot Johnson, Chief Executive Officer and Director, Kaitlin Thompson, Chief Operating Officer, Keith Crone, Chief Marketing Officer, Rajesh Lala, Director, and Micheal Simonetta, Director are also involved in certain managerial or director positions within Evolve.

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.

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.

Other risks

Based on management's knowledge and experience pertaining to the Company and its operational environment, management does not believe that the Company is exposed to significant foreign exchange, interest rate, price, or other risk. The Company does not consider any of its financial assets to be impaired

Capital Management

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 which 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.

Changes in Accounting Policies

There were no changes in Accounting Policies for the three and six months ended June 30, 2025.

Financial Instruments

As at June 30, 2025, the Company's financial instruments consist of digital currency, accounts payable and accrued liabilities and convertible debentures. The fair value of the Company's accounts payable and accrued liabilities approximates the carrying value, which is the amount on the statements of financial position, due to their short-term maturities or ability of prompt liquidation. 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..

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).

Reconciliation of Use of Proceeds from Financing Activities

During the six months ended June 30, 2025, the Company closed financing through a brokered private placement and brokered offerings for net proceeds of $117,727,528.

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**

The following table sets out a comparison of how the Company used the proceeds during the period following the close of the financings. As the Company closed the financings close to the period end, most of the funds have not yet been deployed.

Intended Use of Net Proceeds		Proceeds Spent as of June 30, 2025	Remaining Proceeds
	$	$	$
Legal, Audit, Listing and Regulatory	441,371	201,539	239,832
Other general and administrative expenses	2,104,735	18,185	2,086,550
Public relations and investor relations	100,000	41,213	58,787
Commercialization of Business Plan Phase 1 – Bitcoin Lending Services	125,000	-	125,000
Commercialization of Business Plan Phase 2 – Bitcoin Liquidity Services and Bitcoin/Fiat Lending Services	250,000	-	250,000
Commercialization of Business Plan Phase 3 – Layer 2 Liquidity and Collateral	625,000	-	625,000
Bitcoin purchases	113,127,353	113,127,353	-
Interest on convertible debentures	250,000	-	250,000
Unallocated funds	704,069	-	704,069
Total	**117,727,528**	**113,388,290**	**4,339,238**

Significant projects

During the quarter, the Company executed several key milestones in alignment with its long-term strategic objectives. On June 23, 2025, the Company successfully closed its initial financing. Shortly after, on June 27, the Company completed the acquisition of 771.37 Bitcoin for a total purchase price of $113,127,353, as outlined in its Filing Statement. Trading of the Company's common shares commenced on the TSX Venture Exchange under the ticker symbol BTCT on June 30.

The Company is focused on the pursuit of the following projects over the next 12 months:

- The Company plans to offer institutional Bitcoin lending services designed to provide liquidity solutions to clients while ensuring the Company maintains financial security and minimizes risk exposure. The Company's lending services will include Bitcoin-denominated loans. The Company is currently building out the necessary operational and compliance infrastructure to support the launch of these services.
- The Company has applied to be a Money Services Business registered with the FINTRAC. Once such registration is obtained, the Company intends to offer institutional-grade Bitcoin liquidity services and expand its lending services to include the ability to accept fiat as interest payments or as collateral for Bitcoin-denominated loans. In addition, it plans to advances infrastructure and operational capabilities for Bitcoin Layer 2 networks. The Company executed plans to accumulate and hold a sufficient inventory of Bitcoin to meet the growing demand for its core business services, recognizing Bitcoin's finite supply. To support its Bitcoin services business, the Company plans to follow a treasury strategy aimed at growing its Bitcoin inventory. As part of this treasury strategy and subject to market conditions, BTCT plans to issue shares and/or debt instruments.

- The Company is currently seeking final approval of its base shelf prospectus, which would provide the flexibility to support this strategy through future capital raises.
- The Company intends to apply for a normal course issuer bid (“NCIB”) to opportunistically repurchase shares in the open market, where doing so would be accretive to BPS.
- The Company is actively pursuing approval to obtain a U.S. OTC ticker to broaden its investor base and improve trading accessibility for U.S. investors.

Business Risks

Bitcoin Price Volatility

Bitcoin’s trading history is marked by extreme volatility, with sudden and significant price fluctuations. Such volatility can lead to substantial financial losses for the Company, in Canadian dollar terms. Volatility in the price of Bitcoin could also hinder demand for the Company’s services. Volatility in the value of Bitcoin held in inventory could also impair the ability of the Company to invest capital in the development of its business activities and retention of future key employees or contractors.

Custodial Risks

Bitcoin custody requires a high degree of technical and operational expertise. The Company will rely upon external third parties for these services each of whom are expected to be operating using industry best practices, and have sufficient expertise, skills and experience to ensure effective and secure custody of the Bitcoin held. Despite these efforts it remains possible that failures in the custody activities, personnel or technology result in the irreversible loss of Bitcoin owned by the Company.

Technological Vulnerabilities

The Bitcoin network relies on complex software and hardware systems. There is no assurance that the relevant cryptocurrency or digital asset infrastructure will continue to be able to support the demands placed on it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. There is also no assurance that the infrastructure or complementary products or services necessary to make cryptocurrency or digital assets a viable product for their intended use will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs to adapt to changing technologies. Vulnerabilities, bugs, or attacks (such as BGP hijacking) could compromise the network’s integrity, leading to potential losses.

Bitcoin transactions are irreversible and may result in significant losses, including as relates to the custody of our Bitcoin

Bitcoin transactions are irreversible, and any Bitcoin lost, stolen or incorrectly transferred between parties (including by BTCT or the Company employees and third party service providers) may be irretrievable. Once a transaction has been validated by nodes on the network and recorded on the blockchain, there is no reasonable method by which to retrieve those assets without the direct cooperation of the entity receiving the Bitcoin. In recent years, the cryptocurrency industry has experienced significant thefts resulting from security breaches, unauthorized access, and other cyberattacks, which have led to the permanent loss of substantial amounts of digital assets.

BTCT cannot guarantee the security of any thirdparty platforms or custodians it may use. In the event of theft, there will be no recourse available to restore ownership of stolen assets. An incorrectly placed Bitcoin transaction cannot be reversed, which will result in the permanent loss of Bitcoin.

The need to adopt technology in response to changing security threats poses a challenge to the safekeeping of the Company's Bitcoin or other cryptocurrency and digital asset holdings

Holders of cryptocurrencies and digital assets must adapt to technological change to secure and safeguard accounts. As technological change occurs, the security threats to the Company's Bitcoin and other cryptocurrency and digital asset holdings will likely adapt, and previously unknown threats may emerge. Furthermore, the Company may become a greater target of security threats as the Company's size and reputation increases. If the Company is unable to identify and mitigate or stop new security threats, the Company's Bitcoin and other assets may be subject to theft, loss, destruction or other attack, which could result in a loss of the Company's assets or materially and adversely affect the Company's investment, trading and lending strategies, the value of its assets and the value of any investment in the Company.

Short History Risk

Bitcoin is just over a decade old, which makes it one of the youngest multibillion dollar assets in the world. Due to this short history, it is not clear how all elements of Bitcoin will unfold over time, specifically with regard to governance between miners, developers and users, as well as the long term security model as the rate of inflation of Bitcoin decreases. Since the Bitcoin community has successfully navigated a considerable number of technical and political challenges since its inception, the BTCT Board believes that it will continue to engineer its way around future challenges. The history of open source software development would indicate that vibrant communities are able to change the software under development at a pace sufficient to stay relevant. That said, the continuation of such vibrant communities is not guaranteed, and insufficient software development or any other unforeseen challenges that the community is not able to navigate could have an adverse impact on the business activities of the Company.

Limited History of the Bitcoin Market

Bitcoin is a new technological innovation with a limited history. There is no assurance that usage of Bitcoin and its blockchain will continue to grow. A contraction in use of Bitcoin or its blockchain may result in increased volatility or a reduction in the price of Bitcoin, which could adversely impact the business prospects of the Company.

Potential Decrease in the Global Demand for Bitcoin

Factors contributing to decreased demand in Bitcoin may include heightened concerns regarding theft and security vulnerabilities, particularly in light of recent highprofile cybersecurity breaches affecting cryptocurrency exchanges and custodians. The association of Bitcoin with illicit activities and use by bad actors may also discourage adoption among legitimate users and institutional investors. In addition, adverse regulatory developments, such as restrictive legislation, enhanced compliance requirements, or outright bans in key markets, may further limit demand. The emergence of competing digital currencies, including those issued or endorsed by governments or major corporations, could also divert interest and capital away from Bitcoin, negatively impacting its market value and longterm viability, and having a material adverse effect on the financial condition of the Company. Furthermore, if Bitcoin's adoption as a medium of exchange declines—whether due to technological limitations, regulatory restrictions, transaction costs, or the availability of more efficient alternatives—the overall demand for Bitcoin could diminish.

Investors should be aware that there is no assurance that Bitcoin will maintain its longterm value in terms of purchasing power in the future or that the acceptance of Bitcoin for payments by mainstream retail merchants and commercial businesses will continue to grow. As relatively new products and technologies, Bitcoin has only recently become widely accepted as a means of payment for goods and services by many major retail and commercial outlets, and use of Bitcoin by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for Bitcoin transactions, process wire transfers to or from Bitcoin trading platforms, Bitcoin related companies or service providers, or maintain accounts for persons or entities transacting in Bitcoin for a number of reasons, such as perceived compliance risks or costs. The Company's inability to procure or keep banking services would have a material and adverse effect on the Company. Similarly, continued general banking difficulties may decrease the utility or value of Bitcoin and other cryptocurrencies and digital assets or harm public perception of those assets. Any of these occurrences could materially and adversely affect the Company's investment, trading and lending strategies, the value of its assets and the value of any investment in the Company.

Conversely, a significant portion of Bitcoin demand is generated by speculators and investors seeking to profit from the short or longterm holding of Bitcoin. Price volatility undermines Bitcoin's role as a medium of exchange as retailers are much less likely to accept it as a form of payment. Market capitalization for Bitcoin therefore, as a medium of exchange and payment method, may continue to be low. A lack of expansion by Bitcoin into retail and commercial markets, or a contraction of such use could adversely impact the longterm business plan of the Company. Management believes that, like any commodity, Bitcoin will fluctuate in value, but over time will gain a level of acceptance as a store of value, similar to precious metals.

Economic and Political Factors

Global economic instability or political events may influence Bitcoin's price. For instance, largescale sales triggered by economic crises could lead to significant price declines.

Top Bitcoin Holders Control a Significant Percentage of the Outstanding Bitcoin

The top 100 Bitcoin addresses hold roughly 14% of the Bitcoin supply[4]. While this concentration has decreased significantly over the years it is still concentrated. If one of these top holders were to exit their Bitcoin position it could cause volatility that may adversely affect the price of Bitcoin, which could adversely impact the business prospects of the Company.

The concentration of our Bitcoin holdings enhances the risks inherent in our treasury strategy

The concentration of our Bitcoin holdings limits the risk mitigation that we could achieve if we were to purchase a more diversified portfolio of treasury assets, and the absence of diversification enhances the risks inherent in our treasury strategy. The price of Bitcoin experienced a significant decline in 2022, and this had, and any future significant declines in the price of Bitcoin would have, a more pronounced impact on our financial condition than if we used our cash to purchase a more diverse portfolio of assets.

Leverage

When the Company makes investments in Bitcoin, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities, or other portfolio assets, leverage may be introduced. Leverage occurs when the Company's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate, or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Company, and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Company's liquidity, and may cause the Company to liquidate positions at unfavourable times.

Security Breaches

If the Company or its thirdparty service providers experience a security breach or cyberattack and unauthorized parties obtain access to the Company's Bitcoin, or if the Company's private keys are lost or destroyed, or any other similar circumstance takes place, the Company may lose some or all of its Bitcoin and its financial condition and results of operations could be materially adversely affected.

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[4] https://bitinfocharts.com/top-100-richest-bitcoin-addresses.html

De-Banking and Financial Services Risk

The Corporation relies on access to traditional banking services to conduct its operations, including processing transactions, holding funds, and managing day-to-day financial activities. There is a risk that financial institutions, payment processors, or other service providers may decline to provide, or may terminate, services to the Corporation due to the nature of its business, regulatory pressures, or changes in internal policies. This risk is heightened for businesses involved in the digital asset sector, where financial institutions may view such relationships as higher risk. The loss of access to essential banking services could disrupt the Corporation's operations, delay the execution of its business plan, impair its ability to process transactions, or force reliance on less secure or more expensive alternatives. Such outcomes could have a material adverse effect on the Corporation's business, operational results, financial condition, and reputation.

Bitcoin does not pay interest or dividends

Bitcoin does not pay interest or other returns and we can only generate cash from our Bitcoin holdings if we sell our Bitcoin or implement strategies to create income streams or otherwise generate cash by using our Bitcoin holdings. Even if we pursue any such strategies, we may be unable to create income streams or otherwise generate cash from our Bitcoin holdings, and any such strategies may subject us to additional risks.

Changes in the accounting treatment of Bitcoin could have significant accounting impacts, including increasing volatility of our results

The broader digital assets industry, including the technology associated with digital assets, the rate of adoption and development of, and use cases for, digital assets, market perception of digital assets, and the legal, regulatory, and accounting treatment of digital assets are constantly developing and changing, all of which may a material impact on our financial results in future periods, increase the volatility of our financial results, and affect the carrying value of Bitcoin on our balance sheet. There may be additional risks in the future that are not possible to predict.

Additional Information

For further detail, see the Company's condensed interim financial statements for the three and six ended June 30, 2025. Additional information is available on SEDAR+ at https://www.sedarplus.ca.