



**BLOCKMINT**

**BLOCKMINT TECHNOLOGIES INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
QUARTERLY HIGHLIGHTS**

**FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2022**

## **Introduction**

The following interim Management's Discussion & Analysis ("MD&A") of the financial condition and results of the operations of BlockMint Technologies Inc. (the "Company" or "BlockMint") has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2021. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended December 31, 2021 and December 31, 2020 and the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022, together with the notes thereto. **Results are reported in United States dollars, unless otherwise noted.** In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three and nine months ended September 30, 2022 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at November 29, 2022 unless otherwise indicated.

The unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management, in conjunction with the Audit Committee of the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of BlockMint's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Audit Committee of the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

## **Caution Regarding Forward-Looking Statements**

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

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Specifically, the following forward-looking statements are based on the corresponding assumptions, and are subject to the noted risk factors:

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
The Company's cash balance at September 30, 2022, is sufficient to fund its consolidated operating expenses at current levels.	The development and operating activities of the Company for the twelve-month period starting September 30, 2022, and the costs associated therewith, will be consistent with the Company's current expectations; and the debt and equity markets, exchange and interest rates and other applicable economic conditions do not materially change.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; government regulation, interest rate and exchange rate fluctuations; changes in economic conditions.
The Company intends to earn revenue from its Website through advertising	The market for carbon tokens will continue on a basis similar or greater than present.	The market for carbon tokens fails to grow, or contracts. Competition negates growth of the Company's business.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond BlockMint's ability to predict or control. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Readers should refer to those risk factors referenced in the "Risks and Uncertainties" section below.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause BlockMint's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

### **Description of Business**

The Company's wholly owned subsidiaries, BlockMint (Canada) Technologies Inc. (formerly BlockMint Technologies Inc.) ("BlockMint-Canada") and its wholly owned subsidiary, BlockMint (USA) Technologies Inc. ("BlockMint-USA"), are in the business of developing distributed systems and networks that enable a more decentralized deployment of blockchain based applications such as cryptocurrency mining.

The Company's first product was the Minter browser - a secure and private browser where any person can mine cryptocurrency as they browse the web. In addition to being a web browser, Minter has additional integrated features, such as a virtual private network (VPN) and an ad-blocker. The Minter browser was initially

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released in 2019, but was updated in 2021 and re-released in February 2021 and May 2021. It is available for download at the website [getminter.com](http://getminter.com).

In October 2021, the Company acquired 50 new S19 Antminers. The machines were installed at a third party hosting facility in Washington State, and the Company commenced mining Bitcoin in December 2021.

In September 2022, the Company announced it had discontinued its cryptocurrency mining operation in Washington State and launched a new website - [carbontokensmarket.com](http://carbontokensmarket.com), which aims to be a single source of information on the expanding carbon tokens market (the "Website").

A "carbon token," is a non-fungible, tradeable digital asset on a blockchain that represents one carbon credit or one tonne of carbon dioxide equivalent (CO<sub>2</sub>e) of greenhouse gas emission reduction. Over the past year, there have been a number of companies that have created carbon tokens with the aim to use blockchain technology to build secure and efficient marketplaces to scale the trading of carbon credits. The Company created the Website to provide a single source for price and market information on existing carbon tokens and aggregate news for the emerging and expanding universe of carbon tokens

## **Outlook and Overall Performance**

### **Corporate**

#### Business Development

For the nine months ended September 30, 2022, the S19 Antminers mined approximately 4.95 Bitcoin resulting in revenue of \$167,497.

#### Financial highlights

The Company had minimal revenue, so its ability to ensure continuing operations is dependent on either expanding its business, or raising additional debt or equity financing. In September 2022, the Company discontinued its cryptocurrency mining operation in Washington State, and announced that it had launched the new Website focused on tokenized carbon credits. In discontinuing its cryptocurrency mining operations, Blockmint sold its mining assets to the company that hosted the mining equipment in consideration of one dollar and release from the remaining lease and contractual obligations.

For the nine months ended September 30, 2022, the Company had a net loss of \$793,882 which consisted primarily of (i) revenue of \$167,497; (ii) site operating cost and depreciation of \$260,940; (iii) operating expenses of \$222,918; (iv) loss on sale of its cryptocurrency mining equipment of \$336,034; (v) revaluation of digital currency of \$89,775 (due to price fluctuations); and (vi) foreign exchange loss of \$43,112.

At September 30, 2022, the Company had a net working capital of \$1,755,329 (December 31, 2021 – \$1,925,263). The Company had cash and cash equivalents of \$1,676,095 (December 31, 2021 - \$2,032,371). Working capital and cash and cash equivalents decreased during the nine months ended September 30, 2022 due to net cash used in operating activities of \$270,273 and cash used in financing activities of \$86,003.

The Company has sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the 12-month period starting on September 30, 2022. See "Liquidity and Financial Position" below.

## **Description of Business**

As described above, the Company develops distributed systems and networks that enable a more decentralized deployment of blockchain based applications such as cryptocurrency mining. The Company launched its first product, the distributed crypto-miner Minter browser, in 2019. Development and release of further software products was suspended in 2020 due to the price and volatility of cryptocurrencies. In February 2021, the Company released an upgraded version of the Minter browser and introduced a new feature which allows users to earn carbon credits to offset their carbon footprint. In May 2021, the Company re-released the Minter browser with another new feature which enabled users to also be able to earn fractional ownership in an NFT.

An NFT is a unit of data on a blockchain where each NFT can represent a unique digital item and thus they are not interchangeable. NFTs can represent digital files such as art, audio, video and other forms of creative work. BlockMint has created and acquired NFTs for its portfolio.

In addition to activities related to Minter, in December 2021, the Company commenced mining Bitcoin, however, operations were discontinued in September 2022. Approximately 5.64 Bitcoins were mined at a third-party hosting facility in Washington State from December 3, 2021 to September 30, 2022.

In September 2022, the Company also announced that it had launched its new Website focused on tokenized carbon credits: *carbontokensmarket.com*. The Company created the Website to provide a single source for price and market information on existing carbon tokens and aggregate news for the emerging and expanding universe of carbon tokens. As user traction builds, the Company intends to earn revenues through a conventional ad-based business model.

## **Trends**

Prices of cryptocurrencies have been extremely volatile since BlockMint-USA first started operations. Specifically, the price of Monero, the cryptocurrency identified by BlockMint-USA to be central to its Minter software product. Consequently, the market for the Company's products has been impacted by this volatility, and the demand for the Company's products is uncertain.

In 2021, there was an increase in the prices of several cryptocurrencies, which led to an increased interest in cryptocurrencies and blockchain technologies. As a result, the Company released updated versions of the Minter browser in February and May 2021 and in October 2021 the Company purchased new S19 Antminers and commenced the mining of bitcoin ("BTC") in December 2021. The Company discontinued its cryptocurrency mining operation in September 2022 due to a fall in Bitcoin prices.

In September 2022, the Company announced that it had launched its Website focused on tokenized carbon credits. A tokenized carbon credit, often referred to as a "carbon token," is a non-fungible, tradeable digital asset on a blockchain that represents one carbon credit or one tonne of carbon dioxide equivalent (CO<sub>2</sub>e) of greenhouse gas emission reduction. Over the past year, there have been a number of companies that have created carbon tokens with the aim to use blockchain technology to build secure and efficient marketplaces to scale the trading of carbon credits.

The COVID 19 pandemic has had an impact on global economic activity as well as uncertainty in world events.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risks and Uncertainties" below.

## **Off-Balance-Sheet Arrangements**

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

## **Discussion of Operations**

### **Three months ended September 30, 2022 compared with three months ended September 30, 2021**

For the three months ended September 30, 2022, BlockMint's recorded revenue of \$25,408, and a net loss of \$448,173 with basic loss per share of \$0.01. This compares with revenue of \$nil and a net loss of \$218,613 with basic and diluted loss per share of \$0.00 or the three months ended September 30, 2021. The increase in revenue and the increase of \$229,560 in net loss was principally because:

- For the three months ended September 30, 2022, the Company recorded revenue from digital currency mined of \$25,408 (three months ended September 30, 2021 - \$nil);
- For the three months ended September 30, 2022, the Company recorded a loss on the sale of its cryptocurrency mining equipment of \$336,034 (three months ended September 30, 2021 - \$nil);
- For the three months ended September 30, 2022, the Company recorded depreciation of \$63,321 (three months ended September 30, 2021 - \$nil) on the equipment and right to use asset related to the mining activities at its hosting facility; and
- For the three months ended September 30, 2022, consulting fees and business development and promotion expenses decreased, as the Company was searching for various opportunities to expand mining capabilities during the three months ended September 30, 2021.

### **Nine months ended September 30, 2022 compared with nine months ended September 30, 2021**

For the nine months ended September 30, 2022, BlockMint's recorded revenue of \$167,497, and a net loss of \$793,882 with basic loss per share of \$0.02. This compares with revenue of \$nil and a net loss of \$999,575 with basic and diluted loss per share of \$0.02 or the nine months ended September 30, 2021. The decrease of \$205,693 in net loss was principally because:

- For the nine months ended September 30, 2022, the Company recorded revenue from digital currency mined of \$167,497 (nine months ended September 30, 2021 - \$nil);
- For the nine months ended September 30, 2022, the Company recorded a share-based compensation of \$nil, (nine months ended September 30, 2021 - \$355,100 for the vesting of 1,250,000 options granted to directors, officers and consultants);
- For the nine months ended September 30, 2022, the Company recorded depreciation of \$255,818 (nine months ended September 30, 2021 - \$nil) on the equipment and right to use asset related to the mining activities at its hosting facility;

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- For the nine months ended September 30, 2022, consulting fees and business development and promotion expenses decreased, as the Company was searching for various opportunities to expand mining capabilities during the nine months ended September 30, 2021;
- For the nine months ended September 30, 2022, the Company recorded a loss on the sale of its cryptocurrency mining equipment of \$336,034 (nine months ended September 30, 2021 - \$nil); and
- For the nine months ended September 30, 2022, the Company recorded revaluation loss on digital currency of \$89,775 (nine months ended September 30, 2021 - \$nil) due to the decrease in the value of Bitcoin.

### **Cash Flow**

The Company had cash of \$1,676,095 at September 30, 2022 (December 31, 2021 - \$2,032,371). The decrease in cash during the nine months ended September 30, 2022 was primarily due to the cash used in operating activities.

Cash used in operating activities was \$270,273, for the nine months ended September 30, 2022. Operating activities were affected by net loss of \$793,882 and net changes in non-cash working capital balances due to an increase in digital currency of \$167,497; and a decrease in receivables and prepaids of \$6,130 and accounts payable and accrued liabilities of \$5,251. The Company also recorded non-cash adjustments of depreciation of \$255,818, revaluation in digital currency of \$89,775; loss on sale of assets of \$336,034 and interest expense of \$14,621. For the nine months ended September 30, 2021, cash used in operating activities was \$672,787. Operating activities were affected by a net loss of \$999,575 and the net decrease in non-cash, working capital balances due to increases in receivables and prepaid expenses of \$2,802; and a decrease in accounts payable and accrued liabilities of \$25,510. The Company also recorded share-based payment of \$355,100.

Net cash used in financing activities was \$86,003 during the nine months ended September 30, 2022, due to lease payments. For the nine months ended September 30, 2021, net cash provided by financing activities was \$776,956 as the Company closed a non-brokered private placement and issued an aggregate of 3,846,154 common shares at a price of CDN\$0.26 per common share to raise aggregate gross proceeds of CDN\$1,000,000 (\$782,800).

### **Liquidity and Capital Resources**

The Company's activities have been primarily financed through the completion of equity offerings. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

The Company has no significant revenues, and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants or options and other financing transactions to maintain its capacity to meet ongoing operating activities. As of September 30, 2022, the Company had 1,250,000 stock options and 6,650,000 warrants outstanding that would raise approximately \$600,000, if exercised in full; however all of the warrants are subject to the Company meeting certain revenue thresholds so it is not anticipated that they will become exercisable in the next twelve months.

At September 30, 2022, the Company reported cash of \$1,676,095 (December 31, 2021 - \$2,032,371) and a net working capital of \$1,755,329 (December 31, 2021 - \$1,925,263). Currently, the Company's operating expenses are approximately \$30,000 to \$45,000 per month for management fees, month-to-month

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professional fees, listing expenses and other working expenses. The Company's cash as at September 30, 2022 is expected to be sufficient to satisfy current liabilities and general and administrative costs up to September 30, 2023.

**Related Party Transactions**

Related parties include the Board of Directors and officers of the Company, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount established and agreed to by the related parties.

(a) The Company entered into the following transactions with related parties:

Names	Three months Ended September 30,		Nine months Ended September 30,	
	2022 (\$)	2021 (\$)	2022 (\$)	2021 (\$)
Owen Bird Law Corporation <sup>(1)</sup>	2,165	1,680	4,435	14,394
Bayswater Consulting Ltd. (Bayswater) <sup>(2)</sup>	2,266	1,870	6,954	6,667
Marrelli Support Services Inc. ("Marrelli Support") <sup>(3)</sup>	8,538	8,956	25,485	26,549

- 1) For the three and nine months ended September 30, 2022, the Company expensed professional fees of \$2,165 and \$4,435, respectively (three and nine months ended September 30, 2021 - \$1,680 and \$14,394, respectively for legal services of which \$5,959 was reflected as share issue costs), to Owen Bird Law Corporation, a legal firm of which a director is a shareholder. As at September 30, 2022, \$2,164 (December 31, 2021 - \$8,587) was payable to this party and the amount is included in accounts payable and accrued liabilities.
- 2) For the three and nine months ended September 30, 2022, the Company expensed consulting fees of \$2,266 and \$6,954, respectively (three and nine months ended September 30, 2021 - \$1,870 and \$6,667, respectively) to a private company controlled by the Company's corporate secretary, for corporate services.
- 3) For the three and nine months ended September 30, 2022, the Company expensed consulting fees of \$8,538 and \$25,485, respectively (three and nine months ended September 30, 2021 - \$8,956 and \$26,549, respectively) to Marrelli Support Services Inc. ("Marrelli") for: Victor Hugo to act as the Chief Financial Officer of the Company; and for bookkeeping services. Victor Hugo is an employee of Marrelli. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at September 30, 2022, Marrelli was owed \$710 (December 31, 2021 - \$7,383), and the amount is included in accounts payable and accrued liabilities.

(b) Remuneration of directors and key management personnel, other than consulting or professional fees, of the Company was as follows:

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Name	Salaries and fees		Share-based payment		Total	
	Three Months Ended September 30,		Three Months Ended September 30,		Three Months Ended September 30,	
	2022 (\$)	2021 (\$)	2022 (\$)	2021 (\$)	2022 (\$)	2021 (\$)
Nelson Ijeh, CEO / CIO	23,500	30,000	Nil	Nil	23,500	30,000
Jeff Lightfoot, Director	816	2,437	Nil	Nil	816	2,437
David Patterson, Director	816	2,437	Nil	Nil	816	2,437
Colin Watt, Director	816	2,437	Nil	Nil	816	2,437
<b>Total</b>	<b>25,948</b>	<b>37,311</b>	<b>Nil</b>	<b>Nil</b>	<b>25,948</b>	<b>37,311</b>

Name	Salaries and fees		Share-based payment		Total	
	Nine Months Ended September 30,		Nine Months Ended September 30,		Nine Months Ended September 30,	
	2022 (\$)	2021 (\$)	2022 (\$)	2021 (\$)	2022 (\$)	2021 (\$)
Nelson Ijeh, CEO / CIO	83,500	90,000	Nil	Nil	83,500	90,000
Daniel Beck, former COO	Nil	6,000	Nil	Nil	Nil	6,000
Jeff Lightfoot, Director	6,574	7,537	Nil	42,612	6,574	50,149
David Patterson, Director	6,574	7,537	Nil	42,612	6,574	50,149
Colin Watt, Director	6,574	7,537	Nil	42,612	6,574	50,149
Erin Walmesley, Corporate Secretary	Nil	Nil	Nil	21,306	Nil	21,306
Victor Hugo, CFO	Nil	Nil	Nil	21,306	Nil	21,306
<b>Total</b>	<b>103,222</b>	<b>118,611</b>	<b>Nil</b>	<b>170,448</b>	<b>103,222</b>	<b>289,059</b>