

## ANNUAL LISTING SUMMARY

### Introduction

The requirement to file this Form 5A does not apply to NV Issuers. NV Issuers must file a Form 51-102F2 Annual Information Form.

This Annual Listing Summary must be posted on or before the day on which the Issuer's annual financial statements are to be filed under the Securities Act. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies.

### **General Instructions**

- (a) Prepare this Annual Listing Summary using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**Listed Issuer Name:** Bitzero Holdings Inc.

**Website:** [www.bitzero.com](http://www.bitzero.com)

**Listing Statement Date:** November 19, 2025

**Description(s) of listed securities(symbol/type):** CSE – BITZ.U

**Brief Description of the Issuer's Business:**

Bitzero Holdings Inc. is a provider of IT energy infrastructure and high-efficiency power for data centers. The Company focuses on data center development, Bitcoin mining, and obtaining strategic data center hosting partnerships. Bitzero Holdings Inc. now has four data center locations in the North American and Scandinavian regions, powered by clean, low-carbon energy sources. Visit [www.bitzero.com](http://www.bitzero.com) for more information.

**Description of additional (unlisted) securities outstanding:**

<ol style="list-style-type: none"> <li>1. <b>Common shares</b> issued and outstanding are mentioned in Note 24 on page 44 of the year end audited financial statements</li> <li>2. <b>Options</b> issued and outstanding are mentioned in Note 24 on pages 45-46 of the year end audited financial statements</li> <li>3. <b>Restricted Share Units</b> issued and outstanding are mentioned in Note 12 on pages 30-31 of the year end audited financial statements</li> </ol>		
<b>Jurisdiction of Incorporation:</b> British Columbia		
<b>Fiscal Year End:</b> September 30, 2025		
<b>Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled):</b> August 25, 2025 (Last meeting); Upcoming: TBD		
<b>Financial Information as at year ending September 30, 2025</b>		
	<b>Current</b>	<b>Previous</b>
<b>Cash</b>	<b>2,501,986</b>	<b>634,606</b>
<b>Current Assets</b>	<b>7,215,817</b>	<b>5,160,556</b>
<b>Non-current Assets</b>	<b>35,524,901</b>	<b>24,690,096</b>
<b>Current Liabilities</b>	<b>13,566,493</b>	<b>12,865,723</b>
<b>Non-current Liabilities</b>	<b>16,323,514</b>	<b>3,159,899</b>
<b>Shareholders' equity</b>	<b>12,850,711</b>	<b>13,825,030</b>
<b>Revenue</b>	<b>24,895,690</b>	<b>22,611,281</b>
<b>Net Income</b>	<b>-16,548,342</b>	<b>-11,278,648</b>
<b>Net Cash Flow from Operations</b>	<b>-20,809,971</b>	<b>-4,393,498</b>

## SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in the Schedules. If the required details are included in Schedule A or B, provide specific reference to the page or note.

### 1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

***All related party transactions have been disclosed in the Issuer's financial statements for the years ended September 30, 2025, in Note 21 on page 38-39.***

**2. Summary of securities issued and options granted during the period.**

Provide the following information for the Listed Issuer's fiscal year:

- (a) summary of securities issued during the period,

***Please refer to the consolidated statement of changes in shareholders' equity on page 5 of the Annual Financial Statement for the number and recorded value for shares issued and outstanding.***

- (b) summary of options granted during the period,

***Not Applicable.***

**3. Summary of securities as at the end of the reporting period.**

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of securities outstanding for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

***The Issuer authorized an unlimited number of common shares without par value. Refer to Note 24 on page 44-46 of the Annual Financial Statements.***

- (b) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

**Refer to Note 24c on pages 45- 46 of the Annual Financial Statements for a summary of common shares issued and warrants reserved.**

- (c) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

**Not Applicable.**

4. **List the names of the directors and officers and include the position(s) held and the date of appointment, as at the date this report is signed and filed.**

<b>Name of Director/Officer</b>	<b>Position with Issuer</b>	<b>Date of Appointment</b>
Gilles Seguin	Director Chairman and Secretary	November 19, 2025 August 1, 2024
Igor Kostoutchenko	Chief Financial Officer	March 21, 2024
Mohammed Bakhawain	Chief Executive Officer Chief Strategy Officer Director	November 19, 2025 February 25, 2022 April 16, 2021
Claudia Di Iorio	Director	November 19, 2025
Giovanni Gaudenzi	Head of Finance Director	August 11, 2022 November 19, 2025

5. **Financial Resources**

- a) State the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;

***The Issuer plans to continue to pursue viable business and financing opportunities through the fiscal 2026 year.***

- b) Describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;

***The Issuer's ability to meet its operational needs is dependent on future operating results and cash flows, which are determined by economic, financial, competitive, market, regulatory factors and other factors.***

- c) Disclose the total funds available to the Issuer and the following breakdown of those funds:

- (i) the estimated consolidated working capital (deficiency) as of the

- most recent month end prior to filing the Listing Statement, and
- (ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and
  - (iii) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

***Respecting page 9, see the Consolidated Statements of Cash Flows of the Issuer's Audited Financial Statements, incorporated by way of Schedule "A", and further Note 24 (Equity) of the Financial Statements.***

## **6. Status of Operations**

During the fiscal year, did the Listed Issuer

- (a) reduce or impair its principal operating assets; or
- (b) cease or substantively reduce its business operations with respect to its stated business objectives in the most recent Listing Statement?

Provide details:

***Not Applicable.***

## **7. Business Activity**

a) Activity for a mining or oil and gas Listed Issuer

- (i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, significant revenue from operations, or \$50,000 in exploration or development expenditures?

Provide details.

***Not Applicable.***

- (ii) If the response to (i) above is "no", for the three most recent fiscal years did the Listed Issuer have an aggregate of \$100,000 in exploration or development expenditures?

Provide details.

***Not Applicable.***

b) Activity for industry segments other than mining or oil & gas

- (i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, or \$100,000 in revenue from operations or \$100,000 in development expenditures?

Provide details.

**Yes. The Issuer's 2025 Operating Revenue was \$24,895,690**

- (ii) If the response to (i) above is "no", for the three most recent fiscal years, did the Listed Issuer have either \$200,000 in operating revenues or \$200,000 in expenditures directly related to the development of the business?

Provide details.

***Not applicable***

**SCHEDULE A: AUDITED ANNUAL FINANCIAL STATEMENTS**

**BITZERO BLOCKCHAIN INC.**

Consolidated Financial Statements  
For the years ended September 30, 2025 and 2024  
(expressed in United States Dollars, unless otherwise stated)

**Table of contents**  
(Expressed in United States Dollars,  
unless otherwise noted)

**BITZERO**  
**BLOCKCHAIN INC.**  
September 30, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bitzero Blockchain Inc.

### *Opinion*

We have audited the consolidated financial statements of Bitzero Blockchain Inc. and its subsidiaries (the “Company”), which comprise the consolidated statements of financial position as at September 30, 2025 and 2024, the consolidated statements of loss and comprehensive loss, changes in shareholders’ equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### *Basis for Opinion*

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of Matter - Material Uncertainty Related to Going Concern*

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Company incurred a loss, and had a working capital deficit and an accumulated deficit. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that material uncertainties exist that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the Management’s Discussion and Analysis but does not include the consolidated financial statements and our auditor’s report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

(continues)



## **Independent Auditor's Report to the Shareholders of Bitzero Blockchain Inc. (continued)**

### ***Other Information (continued)***

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

*(continues)*



**Independent Auditor's Report to the Shareholders of Bitzero Blockchain Inc. (continued)**

***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)***

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*SRCO Professional Corporation*

Richmond Hill, Canada  
January 28, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practice public accounting by the  
Chartered Professional Accountants of Ontario

**Consolidated statements of loss and comprehensive loss**

(Expressed in United States Dollars, unless otherwise noted)

For the years ended

**BITZERO****BLOCKCHAIN INC.**

September 30, 2025 and 2024

	Note	2025	2024
		\$	\$
Revenue from digital assets mined	7	24,895,690	15,607,000
Revenue from hosting services	7	-	7,004,281
Direct costs	8	(25,189,175)	(24,387,670)
		(293,485)	(1,776,389)
Administrative expenses	9	5,287,874	2,809,793
Finance costs	10	1,760,644	526,658
Marketing expenses	11	1,842,159	46,187
		8,890,677	3,382,638
Operating loss before other items		(9,184,162)	(5,159,027)
Share-based expenses	12	10,200,000	4,879,221
Foreign exchange gain		(113,023)	(58,633)
Realized (gain) loss from sale of digital currency	13	(1,593,273)	30,303
(Gain) loss on contract settlement	20,22,23	(1,743,010)	134,977
Provision for contract settlement	23	613,486	2,386,417
Present value impact on discounting of settlement liability	22a	-	(1,252,663)
		7,364,180	6,119,622
Loss before income taxes		(16,548,342)	(11,278,649)
Income tax	15	-	-
<b>Net loss</b>		<b>(16,548,342)</b>	<b>(11,278,649)</b>
Revaluation gains on digital currency	13	(689,715)	(240,678)
Loss on translation of foreign operations		3,114,916	2,732,279
		2,425,201	2,491,601
<b>Total comprehensive loss</b>		<b>(18,973,543)</b>	<b>(13,770,250)</b>
<b>Loss per share</b>			
Basic	16	(0.04)	(0.04)
Diluted	16	(0.04)	(0.04)

**Consolidated statements of financial position**  
(Expressed in United States Dollars, unless otherwise noted)  
As at

**BITZERO  
BLOCKCHAIN INC.**  
September 30, 2025 and 2024

	Note	2025	2024
		\$	\$
<b>ASSETS</b>			
<i>Non-current</i>			
Property, plant and equipment	19	28,556,661	17,139,612
Construction in progress	17,19	3,377,689	5,100,145
Right-of-use assets	20	-	936,659
Restricted cash	22(c)	2,000,000	-
Prepays and deposits, non-current portion		1,590,551	1,513,680
		35,524,901	24,690,096
<i>Current</i>			
Indirect taxes recoverable	18	534,992	402,312
Prepays and deposits		72,035	70,757
Accounts receivable	23	380,093	1,509,325
Digital currency	13	753,211	2,490,936
Cash held in trust		2,973,500	52,620
Cash and cash equivalents		2,501,986	634,606
		7,215,817	5,160,556
<b>TOTAL ASSETS</b>		<b>42,740,718</b>	<b>29,850,652</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital	24	101,014,316	81,662,446
Contributed surplus		6,840,775	8,193,421
Debenture reserve	22(c)	54,733	54,733
Accumulated other comprehensive loss		(13,479,285)	(11,054,084)
Accumulated losses		(81,579,828)	(65,031,486)
<i>Total equity</i>		12,850,711	13,825,030
<i>Non-current liabilities</i>			
Settlement liability, non-current portion	22(a)	1,641,501	3,038,387
Loans payable, non-current portion	22(c)	14,682,013	-
Lease liability, non-current portion	22(b)	-	121,512
		16,323,514	3,159,899
<i>Current liabilities</i>			
Accounts and other payables	21(a),22(a)	7,309,701	6,907,556
Contingent consideration payable	14	1,760,547	1,760,547
Settlement liability, current portion	22(a)	1,222,364	770,630
Loans payable, current portion	22(c)	1,554,867	-
Lease liability, current portion	22(b)	-	1,996,027
Related party advances	21(a)	150,794	66,950
Convertible debentures	21(c)	1,568,220	1,364,013
		13,566,493	12,865,723
<i>Total liabilities</i>		29,890,007	16,025,622
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42,740,718</b>	<b>29,850,652</b>
GOING CONCERN	3(b)		
CONTINGENT LIABILITIES	25		
SUBSEQUENT EVENTS	28		

**APPROVED ON BEHALF OF THE BOARD**

Mohammed Salah S. Bakhawain

**Consolidated statements of changes in shareholder's equity**  
(Expressed in United States Dollars, unless otherwise noted)  
For the years ended

**BITZERO  
BLOCKCHAIN INC.**  
September 30, 2025 and 2024

	Note	Share capital \$	Contributed surplus \$	Debtenture reserve \$	Accumulated other comp- rehensive loss \$	Accumulated losses \$	Total equity \$
Balance at September 30, 2023		76,931,052	7,845,594	54,733	(8,562,483)	(53,752,837)	22,516,059
Share based expenses	12, 21(a)	-	4,879,221	-	-	-	4,879,221
Exercised RSUs	12, 24	4,531,394	(4,531,394)	-	-	-	-
Shares issued in settlement	24(a)	200,000	-	-	-	-	200,000
Total comprehensive loss for the year		-	-	-	(2,491,601)	(11,278,649)	(13,770,250)
Balance, at September 30, 2024		81,662,446	8,193,421	54,733	(11,054,084)	(65,031,486)	13,825,030
Share based expenses	12, 21(a)	-	10,200,000	-	-	-	10,200,000
Subscriptions	24(a)	7,511,700	-	-	-	-	7,511,700
Exercised RSUs	12, 24	10,857,491	(10,857,491)	-	-	-	-
Exercised options	24(c)	794,334	(695,155)	-	-	-	99,179
Issuance of advisory shares	24(b)	150,000	-	-	-	-	150,000
Shares issued in settlement	24(b)	38,345	-	-	-	-	38,345
Total comprehensive loss for the year		-	-	-	(2,425,201)	(16,548,342)	(18,973,543)
Balance, at September 30, 2025		101,014,316	6,840,775	54,733	(13,479,285)	(81,579,828)	12,850,711

**Consolidated statements of cash flows**  
(Expressed in United States Dollars, unless otherwise noted)  
For the years ended

**BITZERO  
BLOCKCHAIN INC.**  
September 30, 2025 and 2024

	2025	2024
	\$	\$
<b>CASH FROM (USED IN) OPERATING ACTIVITIES</b>		
Net loss for the year	(16,548,342)	(11,278,649)
<i>Adjustment for non-cash items:</i>		
Share-based expenses	10,200,000	4,879,221
Depreciation of property, plant and equipment	11,470,759	11,602,852
Amortization of right-of-use assets	272,469	969,228
Shares issued for services rendered	150,000	-
Shares issued in settlement	38,345	-
Loss on settlement of accounts receivable	-	134,977
Provision for contract settlement	(613,486)	2,386,417
Interest on settlement liability	533,638	-
Interest on lease liability	72,172	337,213
Interest on convertible debt	204,207	183,157
Cancellation of lease liability	(1,495,349)	91,224
Present value impact on discounting settlement liability	-	(1,252,663)
Amortization of discount on loan payable	45,937	-
Operating cash flow before changes in non-cash working capital	4,330,350	8,052,977
<i>Adjustment for non-cash working capital:</i>		
Indirect taxes recoverable	(132,680)	(107,574)
Prepays and deposits	(78,149)	46,482
Accounts receivable	1,742,718	(189,024)
Digital currencies	(25,231,335)	(15,576,697)
Accounts and other payables	402,145	-
Settlement liability, current portion	(1,843,020)	3,380,338
	(20,809,971)	(4,393,498)
<b>CASH (USED IN) FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant, and equipment	(25,319,847)	(8,161,743)
Proceeds on sale of digital assets	27,658,775	13,416,797
Restricted cash held in trust	(2,000,000)	-
	338,928	5,255,054
<b>CASH FROM (USED IN) FINANCING ACTIVITIES</b>		
Issuance of common shares	7,511,700	-
Exercise of stock options	99,179	-
Loan proceeds received, net	16,190,943	-
Advance (repayment) of related party balances	83,844	(50,000)
Repayment of lease liabilities	(30,172)	(685,738)
	23,855,494	(735,738)
<b>Net change in cash and cash equivalents</b>	<b>3,384,451</b>	<b>125,818</b>
Cash and cash equivalents, beginning of year	634,606	1,315,707
Cash held in trust, beginning of year	52,620	-
Effects of exchange rate changes on cash and cash equivalents	1,403,809	(754,299)
	5,475,486	687,226
Cash and cash equivalents, end of year	2,501,986	634,606
Cash held in trust, end of year	2,973,500	52,620
<b>Supplementary information</b>		
Interest paid	898,829	362
Non-cash settlements	-	2,386,417
Shares issued for services	150,000	-
Shares issued as part of settlement	38,345	200,000
Acquisition of equipment as part of settlement	678,000	119,000
Bitcoin loan proceeds	917,075	-
Bitcoin loan repayment	1,254,048	-
RSUs exercised	10,857,491	4,531,394

The accompanying notes form an integral part of these consolidated financial statements

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**1. GENERAL INFORMATION**

Bitzero Blockchain Inc. (the "Company" or "Bitzero"), was incorporated under the laws of the Province of British Columbia on April 16, 2021. The Company's registered office is located at 925-1000 Cathedral Place, West Georgia Street, Vancouver, British Columbia V6C 3L2 Canada.

Bitzero has cryptocurrency mining activities in Norway, solely focused on the mining of Bitcoin. The business of Bitcoin mining focuses on the utilization of specialized equipment to solve complex computational problems to validate transactions on the Bitcoin blockchain and receiving Bitcoin in return for successful services.

These mining activities are conducted by Exanorth AS ("Exanorth"), a Norwegian limited liability entity that is a wholly owned subsidiary of Bitzero Blockchain Inc., which holds a data center in Norway (the "Data Center") for the provision of data processing services for the mining of digital currency.

**2. ADOPTION OF NEW AND REVISED STANDARDS**

(a) New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective for the Company's consolidated financial statements for the periods presented:

*IFRS 18: Presentation and Disclosure in Financial Statements*

IFRS 18 is a comprehensive new standard on presentation and disclosure that will modify the structure and content of the primary consolidated financial statements and related notes. It is expected to affect presentation and disaggregation, including new defined subtotals in the statement of profit or loss.

Application for IFRS 18 is required for annual reporting periods beginning on or after January 1, 2027. The Company does not intend to early apply IFRS 18 and plans to apply it starting on October 1, 2027.

The Company is in the process of reviewing the impact of IFRS 18 on its consolidated financial statements in future periods.

**3. BASIS OF PREPARATION**

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including as issued by the International Accounting Standards Board ("IASB"). IFRS includes both the International Financial Reporting Standards and the International Accounting Standards ("IAS"). The accounting policies set out below have been applied consistently to both years.

These consolidated financial statements, including their comparative figures, were approved and authorized for issue by the Board of Directors on January 28, 2026.

**3. BASIS OF PREPARATION (CONT'D)**

(a) Statement of compliance (cont'd)

These consolidated financial statements have been prepared on an accrual basis and are based on historical cost basis except for a certain financial instrument which is measured at fair value, as explained in the accounting policy information below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(b) Going concern

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

As at September 30, 2025, the Company had an accumulated deficit of \$81,579,828 (2024 – \$65,031,486) and has a working capital deficiency of \$6,350,676 (2024 – \$7,705,167). Whether and when the Company can generate sufficient cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain.

To address the going concern risk, the Company continues to seek equity financing alternatives to support ongoing operations, monitor general and administrative expenses compared to budget, and optimize its operating processes. Further details regarding subsequent equity raises are provided in **Note 28**.

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and subsidiaries. Subsidiaries are entities controlled by the Company. The financial transactions of subsidiaries are included in the consolidated financial statements from the date control is obtained. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee.

Intercompany balances, transactions, income, and expense are eliminated and gains or losses on intercompany transactions are eliminated. Where the Company does not own 100% of the subsidiary or associate, non-controlling interest is classified as a component of equity.

The accounting policies of subsidiaries are the same as those of the Company.

Subsidiary	Ownership at 30-Sep-25	Ownership at 30-Sep-24	Country of incorporation
Exanorth AS	100%	100%	Norway
Bitzero Inc.	100%	100%	Barbados
Bitzero ND I	100%	100%	United States
Bitzero ND II	100%	100%	United States
Zetanorth AS	100%	0%	Norway
Bitzero Finland Oy	100%	0%	Finland

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**3. BASIS OF PREPARATION (CONT'D)**

(d) Presentation and functional currency

These consolidated financial statements are presented in United States Dollars (“\$”), which is the Company's functional currency. Foreign operations are included in accordance with the policies set out in **Note 4**. The functional currency of all subsidiaries is the United States Dollar except for Exanorth and Zetanorth AS, whose functional currency is the Norwegian Krone ("kr") and Bitzero Finland Oy, whose functional currency is the Euro (“€”).

**4. MATERIAL ACCOUNTING POLICY INFORMATION**

(a) Revenue recognition

Revenue is recorded at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 are applied using the following five steps:

- Identify the contract(s) with a customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation

The Company has concluded that the recognition and measurement of the sale of products in all contracts is consistent with the current revenue recognition practice and therefore does not expect any transitional adjustment.

The Company may participate in third-party mining pools. Rewards are determined based on the pool's payout methodology (e.g., PPS/FPPS/Proportional) by reference to the Company's contributed hash rate. Settlements are typically made periodically after network confirmation. Pool operator fees are presented gross in revenue with fees recorded in direct costs on account of the Company acting as a principal in the transaction.

Consideration for validating transactions may comprise a block reward and transaction fees. Where the pool separately identifies transaction fees and block rewards, the Company records such fees within mining revenue and presents them separately when material.

Where the payout is provided as a blended amount and a reliable separation is impracticable or the cost would be excessive, the Company records the total as mining revenue and describes the basis for presentation.

Obligations requiring delivery of Bitcoin with no net cash settlement are not classified as financial instruments. According to IAS 8, any Bitcoin held is treated as an intangible asset if it meets the definition of an identifiable non-monetary asset without physical substance.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(a) Revenue recognition (cont'd)

*Mining revenue*

The Company recognizes revenue from the provision of transaction confirmation services for digital currency blockchains, commonly termed “digital asset mining” or “cryptocurrency mining”. As consideration for these services, the Company receives digital currency from each specific blockchain in which it participates (“coins”). Revenue is measured based on the fair value of the coins received. The fair value is determined using the spot price of the coin on the date of mining, based on the daily average from CoinMarket Cap ([www.coinmarketcap.com](http://www.coinmarketcap.com)) for Bitcoin. A coin is considered earned on the completion and addition of a block to the blockchain, at which time the economic benefit is received and can be reliably measured.

*Hosting revenue*

The Company hosts and provides energized space and operating and maintenance services to third-party mining companies who locate their mining hardware at its data centers. The Company accounts for these agreements as a single performance obligation for services being delivered in a series with delivery being measured by monthly hosting fees of the mining hardware. As such, the Company recognizes revenue over the life of the contract as its series of distinct services are performed over the term of the contracts with its customers. The Company has determined that the contracts do not contain a significant financing component because the expected length of time between the transfer of services and receipt of consideration is less than one year, which are typically one month or less.

For certain contracts, the Company may also be entitled to a monthly non-cash profit-sharing fee, which is primarily based on the actual amount of Bitcoin mined by the customer’s hosted mining equipment during the month. The rate of profit sharing is determined at inception of the contract with subsequent amendments, as applicable, and non-cash consideration is generally paid in Bitcoin. Non-cash consideration is measured at fair value at contract inception with changes in fair value attributable to reasons other than the form of consideration (other than price of Bitcoin) measured as variable consideration (subject to the constraint on variable consideration) and recognized as hosting services are performed. This amount is recognized in revenue as services are performed.

Changes in fair value of the non-cash consideration related for reasons other than changes in form are recognized at the end of each month as the related uncertainty is resolved and amount becomes known.

(b) Digital assets

The Company accounts for its digital currencies on hand at the end of a reporting period, if any, under IAS 38, *Intangible Assets*, as an intangible asset with an indefinite useful life initially measured at cost, deemed to be the fair value upon receipt, and subsequently measured under the revaluation model.

Under the revaluation model, increases in the digital currencies’ carrying amount is recognized in other comprehensive income and under accumulated other comprehensive income/ (loss) in equity, while decreases are recorded in the consolidated statements of income or loss and comprehensive income or loss.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(b) Digital assets (cont'd)

However, increases are recognized in profit or loss to the extent that it reverses a revaluation decrease of digital currencies previously recognized in profit or loss. There is no recycling of gains from other comprehensive income or loss in the consolidated statements of income or loss and comprehensive income or loss, except to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in the consolidated statements of income or loss and comprehensive income or loss, that increase is recorded in the consolidated statements of income or loss and comprehensive income or loss. The fair value of digital currencies on hand at the end of the reporting period is calculated as the quantity of digital currencies on hand multiplied by the price quoted on CoinMarket Cap as at the reporting date.

Any difference between the fair value of the digital currencies recorded upon receipt from mining activities, purchases or profit-sharing arrangements and the actual realized price upon disposal are recorded as gain or loss on sale of digital currencies.

The Company has continued to classify digital currencies on hand at the end of the year as current assets as management has determined that cryptocurrency markets have sufficient liquidity to allow conversion within the Company's normal operating cycle.

(c) Leases

The Company assesses whether a contract is, or contains, a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones).

For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Company and the lease does not benefit from a guarantee from the Company.

Lease payments included in the measurement of the lease liability comprise (i) Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable (ii) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date (iii) The amount expected to be payable by the lessee under residual value guarantees (iv) The exercise price of purchase options, if the lessee is reasonably certain to exercise the options, and (vi) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(c) Leases (cont'd)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever: (i) The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate (ii) The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used), and (iii) A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated amortization and impairment losses.

Right-of-use assets are amortized over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is amortized over the useful life of the underlying asset. The amortization starts at the commencement date of the lease.

The Company applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Policy (h) below which is *Impairment of non-financial assets*.

For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(d) Foreign currencies

Transactions undertaken in foreign currencies are translated into US dollars at daily exchange rates prevailing when the transactions occur. Monetary assets and liabilities denominated in foreign currencies are translated at period-end exchange rates and non-monetary items are translated at historical exchange rates.

Realized and unrealized exchange gains and losses are recognized in the consolidated statements of comprehensive income or loss.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(d) Foreign currencies (cont'd)

The assets and liabilities of foreign operations are translated into US dollars using the period-end exchange rates. Income, expenses, and cash flows of foreign operations are translated into US dollars using average exchange rates. Exchange differences resulting from the translation of foreign operations into US dollars are recognized in other comprehensive income or loss and accumulated in equity.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated statement of loss and comprehensive loss in the period in which they are incurred.

No borrowing costs were capitalized for the years ended September 30, 2025 and 2024.

(f) Taxation

The income tax expense represents the sum of current and deferred income tax expense.

*Current tax*

The tax currently payable is based on taxable profit for the year.

Taxable profit differs from net profit as reported in the consolidated statement of loss and comprehensive loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

The assessment is based on the judgement of tax professionals within the parent company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

*Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(f) Taxation (cont'd)

*Deferred tax (cont'd)*

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

*Current tax and deferred tax for the year*

Current and deferred tax are recognised in the consolidated statement of loss and comprehensive loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(g) Property, plant and equipment

Property, plant and equipment is carried at cost, less accumulated depreciation and accumulated impairment, if any. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(g) Property, plant and equipment (cont'd)

Construction in progress consists of buildings, utilities, and other infrastructure which is in the process of being constructed for use in continuing operations. Depreciation of construction in progress does not commence until the assets are ready for their intended use.

Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Buildings	25 years
Private utilities	25 years
Technology infrastructure	3-5 years
Mining equipment	3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of loss and comprehensive loss.

(h) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, including property and equipment, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(h) Impairment of non-financial assets (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in the consolidated statement of loss and comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in the consolidated statement of loss and comprehensive loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

(i) Cash and cash equivalents

Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

(j) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill is initially recognized at cost and subsequently measured at cost less accumulated impairment losses, if any. Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment. Impairment losses on goodwill are recognized in the consolidated statement of loss and comprehensive loss and are not reversed in subsequent periods.

(k) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition-date fair value, and the amount of any non-controlling interest in the acquiree. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(k) Business combinations (cont'd)

Goodwill is recognized as described in the goodwill policy. If the Company's interest in the fair value of the net assets acquired exceeds the cost of the business combination, the excess is recognized as a gain on acquisition.

In accordance with IFRS 3, an acquired group qualifies as a business if it includes inputs and substantial processes capable of producing outputs. In order to determine whether an acquisition is deemed to be a business combination, the Company conducts a concentration as to whether acquiree comprises operational infrastructure, personnel, contracts and operational processes beyond single assets. Expenses such as legal, due diligence, advisory and share issuance costs are expensed as incurred and not included in the cost of the business combination.

(l) Share-based expense

The Company provides benefits to employees and directors in the form of share-based expense, whereby employees render services as consideration for equity instruments. The fair value of the equity-settled share-based payments is determined at the grant date using Black-Scholes pricing model and recognized as an expense over the vesting period with a corresponding increase in equity.

The fair value is measured considering the terms and conditions upon which the equity instruments were granted. At each reporting date, the Company revises its estimates of the number of equity instruments expected to vest and adjusts the amount recognized as an expense accordingly.

When vested options are forfeited or not exercised at the expiry date, the amount previously recognized as stock-based compensation expense is transferred to accumulated losses.

(m) Other comprehensive income

Total comprehensive income (loss) comprises all components of profit or loss and other comprehensive income (loss). Other comprehensive income (loss) includes gains and losses from translating the financial statements of an entity whose functional currency differs from the presentation currency and gains from revaluation of digital currencies.

(n) Earnings or loss per share

Basic earnings or loss per share (EPS or LPS) is calculated by dividing the net profit or loss attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings or loss per share adjusts the figures used in the determination of basic EPS or LPS to take into account the effect of potential dilutive ordinary shares, such as share options granted to employees. The calculation of diluted EPS or LPS assumes that the proceeds from the exercise of options would be used to purchase ordinary shares at the average market price during the period.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(o) Financial instruments

Financial assets and financial liabilities are recognised in the Company's consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value, except for accounts receivable that do not have a significant financing component which are measured at the transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of loss and comprehensive loss.

*Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortised cost: (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI): (i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

*Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(o) Financial instruments (cont'd)

*Amortised cost and effective interest method (cont'd)*

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

*Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. The Company has not designated any debt instruments as at FVTPL.

*Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets based on a simplified approach after considering the expected cash-flow shortfall based on historical trends, forward looking information, macro-economic factors and loss matrix.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

*Write-off policy*

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of accounts receivable, when the amounts are over two years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of loss and comprehensive loss.

*Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(o) Financial instruments (cont'd)

*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Compound instruments*

The component parts of convertible loan notes issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the parent company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case the balance recognised in equity will be transferred to share premium.

Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity.

Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

*Financial liabilities at FVTPL*

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

*Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(o) Financial instruments (cont'd)

*Financial liabilities measured subsequently at amortised cost (cont'd)*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

*Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of loss and comprehensive loss.

*Financial instruments categorization*

The Company has classified its financial instruments as follows:

Instrument	Classification / measurement	Fair value hierarchy
<i>Assets</i>		
Restricted cash	Amortized cost	N/A
Accounts receivable	Amortized cost	N/A
Cash held in trust	Amortized cost	N/A
Cash and cash equivalents	Amortized cost	N/A
<i>Liabilities</i>		
Accounts and other payables	Amortized cost	N/A
Settlement liability	Amortized cost	N/A
Contingent consideration payable	FVTPL	Level 3
Lease liability	Amortized cost	N/A
Related party advances	Amortized cost	N/A
Loans payable	Amortized cost	N/A
Convertible debentures	Amortized cost	N/A

(p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

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**4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

(p) Provisions (cont'd)

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(q) Convertible debentures

Convertible debentures are financial instruments which are accounted for separately dependent on the nature of their components: a financial liability and an equity instrument and are considered compound financial instruments. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component, which consists of the conversion feature related to the convertible debentures is recognized as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest rate method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Upon conversion, the liability component and conversion feature are reclassified to share capital.

**5. CRITICAL JUDGMENTS AND ESTIMATION UNCERTAINTY**

In applying the Company's accounting policies, which are described in **Note 4**, the Company is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, including those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

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**5. CRITICAL JUDGMENTS AND ESTIMATION UNCERTAINTY (CONT'D)**

(a) Income taxes (cont'd)

The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities.

Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(b) Digital assets

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the mining of digital assets and subsequent measurement of the digital assets held. Management has exercised significant judgment in determining appropriate accounting treatment. Management has determined that revenues should be recognized as the fair value of digital assets received in exchange for mining services on the date that digital assets are received and subsequently measured as an intangible asset.

In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings.

(c) Revenues from mining of digital assets

The Company enters into contracts with mining pools and has undertaken the performance obligation of providing computing power to the mining pool in exchange for non-cash consideration in the form of digital assets. Revenue is recognized upon receipt of digital currency in exchange for its mining activities at the fair market value of the digital currency received.

Management considers the prices quoted on a digital currency exchange to be a level 2 input under IFRS 13 Fair Value Measurement. Any difference between the fair value of digital assets recorded upon receipt from mining activities and the actual realized price upon disposal are recorded as a gain or loss on disposition of digital assets.

(d) Going concern

The Company has made significant judgments about the Company's ability to continue as a going concern. These judgments involve considering the Company's cash flow forecasts, financial position, market conditions, and the availability of financing. Given the volatile nature of the cryptocurrency market and the reliance on both mining and hosting revenues, management regularly assesses the Company's liquidity and capital resources to ensure it can meet its obligations as they fall due. If future cash flows were to differ significantly from those estimates, this could have a material impact on the Company's ability to continue as a going concern.

(e) Valuation of right of use assets and liabilities

The valuation of right-of-use (ROU) assets and corresponding lease liabilities involves significant estimates, particularly in determining the lease term and the discount rate used to present value future lease payments.

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**5. CRITICAL JUDGMENTS AND ESTIMATION UNCERTAINTY (CONT'D)**

(e) Valuation of right of use assets and liabilities (cont'd)

Management's judgment is required in evaluating whether options to extend or terminate leases are reasonably certain to be exercised, which affects the measurement of lease liabilities.

Additionally, in the absence of an implicit rate in the lease, the Company uses its incremental borrowing rate, which is determined based on the specific circumstances of the lease and the Company's credit risk. Changes in these estimates could significantly impact the carrying amount of ROU assets and lease liabilities.

(f) Valuation of share-based expenses

The valuation of share-based expenses requires significant judgment and estimation, particularly in determining the fair value of equity instruments granted to employees and directors. The Company uses an appropriate valuation model, such as the Black-Scholes or binomial option pricing model, which requires inputs such as the expected volatility of the Company's share price, the expected life of the options, risk-free interest rates, and expected dividend yields. These inputs are subject to estimation uncertainty, and changes in any of these assumptions could have a material impact on the amount of share-based expenses recognized.

(g) Impairment of non-financial assets

The Company assesses non-financial assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Determining whether an impairment has occurred requires management to estimate the recoverable amount of the assets, which is the higher of fair value less costs of disposal and value in use.

These calculations require significant judgment, particularly in estimating future cash flows, discount rates, and market conditions. Any changes in these estimates could result in material adjustments to the carrying amounts of non-financial assets.

(h) Depreciation and useful lives of property, plant and equipment

Determining depreciation periods and residual values for property, plant and equipment requires judgment. Management assesses expected physical wear and tear, technical and commercial obsolescence, maintenance programmes, and industry practice. Residual values are estimated with reference to comparable secondary-market transactions and scrap values, where relevant. These estimates are reviewed at each reporting date. A change of one year in average useful life or a 5% swing in estimated residual value is considered to have a materially affect on depreciation expense in a period under evaluation.

(i) Expected credit losses and provisions

The Company estimates expected credit losses by applying professional judgement in assessing forward-looking information, including the probability of default, loss rates, and the status of customer relationships. Changes in these assumptions could materially affect the amounts recognized.

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**5. CRITICAL JUDGMENTS AND ESTIMATION UNCERTAINTY (CONT'D)**

(i) Expected credit losses and provisions (cont'd)

Provisions are recognized when obligations from past events are probable and can be reliably measured. The measurement of provisions requires judgement in estimating the timing and amount of future outflows and, where relevant, the selection of discount rates. Given the inherent uncertainty, actual outflows may differ from the Company's best estimate.

**6. OPERATING SEGMENTS**

In measuring its performance, the Company does not distinguish or group its operations on a geographical or any other basis and accordingly has a single reportable operating segment. Management has applied judgment by aggregating its operating segments into one single reportable segment for disclosure purposes. Such judgment considers the nature of the operations and an expectation of operating segments within a reportable segment with similar long-term economic characteristics.

The Company's Chief Executive Officer is the chief operating decision-maker and regularly reviews the Company's operations and performance on an aggregate basis. The Company does not have any significant customers or any significant groups of customers.

For the fiscal years ended September 30, 2025 and 2024, the Company presents one reportable operating segment as the entirety of the Company's non-current assets are domiciled in Norway and the entirety of the Company's revenue is generated from its operations in Norway.

While non-operating liabilities and equity financing activities are primarily located in North America, this geographic distinction does not alter the conclusion that the Company has a single reportable segment.

**7. REVENUE**

The Company derives its revenue from contracts with customers for the transfer of services. The provision of digital asset mining services are recognized over time.

The Company's hosting revenue is exclusively derived from two customers in 2024 (2025 – nil). The reliance on these two customers for all hosting revenue creates a concentration risk. Any material change in the business relationship with these customers, including a significant reduction or loss of revenue, could have a material adverse effect on the Company's operating results and cash flows.

**Notes to the consolidated financial statements**  
(Expressed in United States Dollars,  
unless otherwise noted)

**BITZERO  
BLOCKCHAIN INC.**  
September 30, 2025 and 2024

**8. DIRECT COSTS**

	2025	2024
	\$	\$
Utilities	12,596,035	10,885,041
Depreciation of property, plant and equipment	11,470,759	11,602,852
Remote monitoring and support services	406,596	625,339
Salaries and wages	363,767	186,094
Amortization of right-of-use assets	272,469	969,228
Small equipment rental	79,549	117,238
Mining operations	-	1,878
	25,189,175	24,387,670

**9. ADMINISTRATIVE EXPENSES**

	Note	2025	2024
		\$	\$
Legal fees		2,346,566	1,525,893
Consulting fees		1,864,860	223,481
Professional fees		425,396	751,345
Occupancy costs		262,008	40,115
Travel		196,054	111,679
Subcontracts		85,614	84,674
Insurance		79,558	77,244
Office and general		55,101	17,605
Settlements and penalties	22(b),24	(27,283)	(22,243)
		5,287,874	2,809,793

**10. FINANCE COSTS**

	Note	2025	2024
		\$	\$
Interest on loans and other payables	13,21,22	1,682,742	186,757
Bank charges		11,375	12,272
Interest on lease liabilities		72,172	337,213
Finance income		(5,645)	(9,584)
		1,760,644	526,658

**11. MARKETING EXPENSES**

	2025	2024
	\$	\$
Marketing and promotion	1,490,471	-
Advertising	255,946	25,751
Public relations	94,941	-
Other	801	20,436
	<u>1,842,159</u>	<u>46,187</u>

**12. SHARE-BASED EXPENSES**

	Note	2025	2024
		\$	\$
Restricted stock units issued	(a)	10,200,000	4,137,434
Stock options issued	24(c)	-	741,787
		<u>10,200,000</u>	<u>4,879,221</u>

(a) Restricted stock units

The 2022 Restricted Share Unit Plan (the “RSU Plan”) allows the Company to award restricted share units to officers, employees, directors and consultants of the Company upon such conditions as the Board may establish, including the attainment of performance goals recommended by the Company’s compensation committee.

The purchase price for common shares of the Company issuable under each Restricted Share Unit (“RSU”) award, if any, shall be established by the Board at its discretion. Common shares issued pursuant to any RSU award may be made subject to vesting conditions based upon the satisfaction of service requirements, conditions, restrictions, time periods or performance goals established by the Board.

The RSUs are recognized as share-based compensation expense over the vesting period which is the lesser of: (i) the occurrence of one of the pre-defined liquidity events in the RSU notice, and (ii) 5 years after the grant date.

**12. SHARE-BASED EXPENSES (CONT'D)**

(a) Restricted stock units (cont'd)

A continuity of RSUs is as follows:

	RSUs Granted #	RSUs Vested #	Amount \$
September 30, 2023	7,000,000	7,000,000	6,432,493
Issued	49,975,200	-	10,941,233
Vested	-	27,950,333	-
Exercised	(22,379,100)	(22,379,100)	(4,531,394)
September 30, 2024	34,596,100	12,571,233	12,842,332
Issued	67,880,000	-	15,270,160
Vested	-	51,000,000	-
Exercised	(54,000,000)	(54,000,000)	(10,857,491)
September 30, 2025	48,476,100	9,571,233	17,255,001

During the year ended September 30, 2025, share-based compensation expense for the Company's RSUs was \$10,200,000 (2024 - \$4,531,394). The fair value of each share-based payment transactions was estimated on the date of the grant, based on the present value of the underlying equity, with the following weighted-average assumptions:

	Apr 30, 2024	Jun 3, 2024	Jan 31, 2025
Estimated stock price at time of grant	\$ 0.26	\$ 0.26	\$ 0.20
Number of periods to exercise, in years	5.00	5.00	0.67
Compounded risk-free rate	3.92%	3.59%	2.69%
Dividend yield	0.00%	0.00%	0.00%
Exercise price	\$ -	\$ -	\$ -
Volatility	115%	115%	115%
Discount for lack of marketability	16.00%	16.00%	12.17%

	Feb 10, 2025	Jun 29, 2025	Sep 9, 2025
Estimated stock price at time of grant	\$ 0.20	\$ 0.20	\$ 0.40
Number of periods to exercise, in years	-	-	-
Compounded risk-free rate	n/a	n/a	n/a
Dividend yield	0.00%	0.00%	0.00%
Exercise price	\$ -	\$ -	\$ -
Volatility	115%	115%	115%
Discount for lack of marketability	0.00%	0.00%	0.00%

As at September 30, 2025 a total of 9,571,233 (2024 – 12,571,233) RSUs had vested.

### 13. DIGITAL CURRENCY

The Company holds digital currencies, consisting of Bitcoin cryptocurrency, which are accounted for as intangible assets with an indefinite useful life in accordance with IAS 38. The digital currencies are initially recognized at cost and subsequently measured at fair value.

The Company revalues its digital currencies at the end of each reporting period based on their fair value. The fair value is determined using the quoted price in an active market at the reporting date. Any revaluation gain or loss arising from changes in the fair value is recognized in the consolidated statements of loss and comprehensive loss.

The table below reconciles the opening and ending balances of digital assets in USD:

	Coins #	Amount \$
Balance, as at September 30, 2023	3.66	90,358
Cryptocurrency mined, net of pool mining fees	293.65	15,607,000
Sold	(259.30)	(13,416,797)
Other	-	(10,663)
Realized loss	-	(19,640)
Revaluation gain	-	240,678
Balance, as at September 30, 2024	38.01	2,490,936
Cryptocurrency mined, net of pool mining fees	256.76	24,895,690
Sold	(275.19)	(27,658,775)
Other <sup>1</sup>	(11.97)	(1,254,048)
Foreign exchange adjustment	-	(3,580)
Realized gain	-	1,593,273
Revaluation gain	-	689,715
Balance, as at September 30, 2025	7.61	753,211

<sup>1</sup>In December 2024, a lender paid \$917,075 in the form of 9.21 BTC to a supplier on behalf of the Company. In June 2025, the Company repaid the lender \$1,254,048 in the form of 11.97 BTC which included interest of \$336,973.

### 14. ACQUISITIONS

#### (a) Exanorth AS

On August 6, 2021, the Company entered into an arrangement with a third party to acquire call options on the issued and outstanding shares of Exanorth AS, along with various rights to lease real estate property on which Exanorth AS conducted its operations, for aggregate consideration of \$12,556,913. The Company used the Black-Scholes option pricing model to determine the fair value of the call options as follows: exercise prices of €15,504 to €65,804 (15,192 USD to 64,481 USD) per share; the expected volatility of its common shares was set at 20 to 42% using historical volatility of comparable public companies; the risk-free interest rate was set at -0.04 to 0.54% based on the yield available on government benchmark bonds; the expected life was set at 1.1577 to 1.1761 years; and the dividend yield was set at 0%.

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**14. ACQUISITIONS (CONT'D)**

(a) Exanorth AS (cont'd)

Call options on 66% of Exanorth AS were exercised in conjunction with a Share Purchase Agreement and its subsequent amendments dated October 22, 2021 and included transfers of common shares of the Company, deferred cash consideration, settlement of pre-existing loans, and transaction costs, totaling \$8,457,415 in aggregate fair market value.

The remaining 34% was acquired by way of execution of a call option on the remaining 102 shares in Exanorth AS on October 29, 2021 which required the Company to pay \$2,547,160 prior to February 25, 2022. Considering the short amount of time before execution of the option and the payment of consideration, no discount was applied.

As part of consideration in the acquisition of the 34%, contingent consideration, dependent on future performance of the Company in the public market, was included and presented as a liability. As the contingent consideration would only result in additional cash consideration to be paid in such an event, management concluded that the acquisition of Exanorth AS had completed.

Its fair value was determined to be \$1,552,338 based on a third-party valuation report along with management's best estimate of the likelihood of occurrence of said future performance at the reporting date. The contingent consideration was revalued during 2023 to \$1,760,547 resulting in a gain of \$139,453.

As at September 30, 2025 (2024 – nil), there has been no further change to the fair value of the contingent consideration, as there have been no changes in the underlying circumstances affecting management's previous estimate of fair value.

(b) Bitzero Finland Oy

On January 23, 2025, the Company purchased 100 shares of Bitzero Finland Oy (formerly Ahold XVIII Oy), domiciled in Finland, representing 100% of issued share capital of the acquiree. The Company's intent is to expand its operations into Finland at a later date.

**15. INCOME TAX**

The Company has assessed its tax position as at September 30, 2025, and for the year then ended. Based on this assessment, the Company has determined that there is no income tax expense for the current reporting period.

**15. INCOME TAX (CONT'D)**

The reconciliation of the Canadian statutory income tax rate to the effective tax rate is as follows:

	2025	2024
Net loss before income taxes	(16,548,342)	(11,278,649)
Statutory tax rate	26.5%	26.5%
Statutory income tax recovery	(4,385,311)	(2,988,842)
Non-deductible expenses	-	-
Non-taxable income	-	-
Tax loss carry forward	(4,385,311)	(2,988,842)
Non-recognition of income tax recovery on losses	4,385,311	2,988,842
Income tax expense	-	-

The Company performs its income tax reconciliation using the effective income tax rate of the parent, which is 26.5%. The Company's operating subsidiary's effective income tax rate is 22%. A continuity of losses at the parent level is as follows:

Year of losses	Year of expiry	Amount \$
2021	2041	4,251,671
2022	2042	10,096,810
2023	2043	3,235,798
2024	2044	2,988,842
2025	2045	4,385,311
		<u>24,958,432</u>

The operating subsidiary has tax loss carry-forwards of kr 1,803,481 { \$180,635 } (2024 - kr 87,657,528 { \$8,342,139 }) which do not expire so long as the entity continues to operate within the same business as determined by the government authority.

The Company recognizes a valuation allowance in the full amount of the tax loss carry forward as at September 30, 2025 and 2024.

In accordance with IAS 12, Income Taxes, the Company recognizes deferred tax assets only when it is probable that sufficient taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits can be utilized. As of the reporting date, the Company concluded that such criteria were not met. Due to the uncertainty regarding the realization of deferred tax assets in future periods, the Company has not recognized any deferred tax assets in the consolidated financial statements.

**16. LOSS PER SHARE**

	2025	2024
	\$	\$
Basic net loss per share		
Numerator		
Net loss attributable to shareholders	(16,548,342)	(11,278,649)
Denominator		
Weighted-average common shares outstanding	385,710,597	312,661,317
Basic net loss per share attributable to shareholders	(0.04)	(0.04)
Diluted net loss per share attributable to shareholders	(0.04)	(0.04)

**17. CONSTRUCTION IN PROGRESS**

Construction in progress consists of buildings, utilities and other infrastructure which is in the process of being constructed for use in continuing operations. As at and for the year ended September 30, 2025, these assets have not yet been deployed in the active business, and as such have not been amortized.

Refer to **Note 19** for these details.

**18. INDIRECT TAXES RECOVERABLE**

Indirect taxes recoverable consists of all accounts tracking value-added taxes payable and recoverable

	2025	2024
	\$	\$
VAT recoverable	227,282	301,188
GST/HST recoverable	322,550	106,571
Advance tax withholding	(14,840)	(5,447)
	534,992	402,312

The VAT recoverable was derived from the business operations of Exanorth. The GST/HST recoverable is derived from the portion of sales taxes paid by Bitzero Blockchain Inc. that are eligible for recovery in connection with its role as a management company providing services to the Company during the years ended September 30, 2025 and 2024.

**19. PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	Private utilities	Technology infrastructure	Mining Equipment	Sub-total	Construction-in-progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>								
<b>Balance, September 30, 2023</b>	<b>447,692</b>	<b>1,390,106</b>	<b>8,706,048</b>	<b>1,144,525</b>	<b>32,570,577</b>	<b>44,258,948</b>	<b>1,217,550</b>	<b>45,476,498</b>
Additions <i>(Note (a))</i>	4,443	9,193	796,870	11,697	3,496,605	4,318,808	3,961,936	8,280,744
Translation adjustments and reclassifications	(135)	(280)	(24,268)	(356)	(106,485)	(131,524)	(79,341)	(210,865)
<b>Balance, September 30, 2024</b>	<b>452,000</b>	<b>1,399,019</b>	<b>9,478,650</b>	<b>1,155,866</b>	<b>35,960,697</b>	<b>48,446,232</b>	<b>5,100,145</b>	<b>53,546,377</b>
Additions	145,334	184,172	1,237,353	14,297	18,444,624	20,025,780	(1,360,740)	18,665,040
Translation adjustments	38,633	19,717	328,916	3,800	4,903,001	5,294,067	(361,716)	4,932,351
<b>Balance, September 30, 2025</b>	<b>635,967</b>	<b>1,602,908</b>	<b>11,044,919</b>	<b>1,173,963</b>	<b>59,308,322</b>	<b>73,766,079</b>	<b>3,377,689</b>	<b>77,143,768</b>
<b>ACCUMULATED AMORTIZATION</b>								
<b>Balance, September 30, 2023</b>	-	<b>428,588</b>	<b>606,995</b>	<b>48,893</b>	<b>16,192,418</b>	<b>17,276,894</b>	-	<b>17,276,894</b>
Additions	-	146,765	727,183	77,085	10,651,819	11,602,852	-	11,602,852
<b>Balance, September 30, 2024</b>	-	<b>575,353</b>	<b>1,334,178</b>	<b>125,978</b>	<b>26,844,237</b>	<b>28,879,746</b>	-	<b>28,879,746</b>
Additions	-	74,205	654,719	71,893	10,669,942	11,470,759	-	11,470,759
Translation adjustments	-	15,733	138,814	15,243	2,262,249	2,432,039	-	2,432,039
<b>Balance, September 30, 2025</b>	-	<b>665,291</b>	<b>2,127,711</b>	<b>213,114</b>	<b>39,776,428</b>	<b>42,782,544</b>	-	<b>42,782,544</b>
<b>ACCUMULATED IMPAIRMENT</b>								
<b>Balance, September 30, 2023</b>	-	<b>60</b>	<b>217,698</b>	<b>7,835</b>	<b>2,201,281</b>	<b>2,426,874</b>	-	<b>2,426,874</b>
<b>Balance, September 30, 2024</b>	-	<b>60</b>	<b>217,698</b>	<b>7,835</b>	<b>2,201,281</b>	<b>2,426,874</b>	-	<b>2,426,874</b>
<b>Balance, September 30, 2025</b>	-	<b>60</b>	<b>217,698</b>	<b>7,835</b>	<b>2,201,281</b>	<b>2,426,874</b>	-	<b>2,426,874</b>
<b>NET BOOK VALUE</b>								
<b>Balance, September 30, 2023</b>	<b>447,692</b>	<b>961,458</b>	<b>7,881,355</b>	<b>1,087,797</b>	<b>14,176,878</b>	<b>24,555,180</b>	<b>1,217,550</b>	<b>25,772,730</b>
<b>Balance, September 30, 2024</b>	<b>452,000</b>	<b>823,606</b>	<b>7,926,774</b>	<b>1,022,053</b>	<b>6,915,179</b>	<b>17,139,612</b>	<b>5,100,145</b>	<b>22,239,757</b>
<b>Balance, September 30, 2025</b>	<b>635,967</b>	<b>937,557</b>	<b>8,699,510</b>	<b>953,014</b>	<b>17,330,613</b>	<b>28,556,661</b>	<b>3,377,689</b>	<b>31,934,350</b>

Note (a) Included in the additions are miners and other assets amounting to \$678,138 (2024 - \$119,000) received from one of the customers as per the settlement agreement (**Note 23**).

**20. RIGHT-OF-USE ASSETS**

Exanorth AS previously held a right-of-use asset arises from a contract to lease equipment to be deployed and utilized at the data mining center. This right-of-use asset was depreciated using straight-line method from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, which is 34 months. This lease was cancelled as part of the settlement agreement with the customer during the period ended September 30, 2025.

The Company's right-of-use assets also includes office leases entered into by Bitzero ND I, LLC and Bitzero ND II, LLC. These office leases are for the North Dakota office space locations which have been leased for a period of 60 months. The lease for Bitzero ND II, LLC was cancelled during the year ended September 30, 2024. The lease for Bitzero ND I LLC was cancelled during the year ended September 30, 2025, resulting in a loss of \$113,089.

The following tables summarize the Company's right-of-use assets:

2025	Opening balance	Additions (dispositions)	Closing balance
	\$	\$	\$
<b>COST</b>			
Transformer housing and container for Exanorth	2,485,297	(2,485,297)	-
Office space for ND I	289,133	(289,133)	-
Office space for ND II	-	-	-
	2,774,430	(2,774,430)	-
<b>ACCUMULATED AMORTIZATION</b>			
Transformer housing and container for Exanorth	1,719,554	(1,719,554)	-
Office space for ND I	118,217	(118,217)	-
Office space for ND II	-	-	-
	1,837,771	(1,837,771)	-
<b>NET BOOK VALUE</b>			
Transformer housing and container for Exanorth	765,743	(765,743)	-
Office space for ND I	170,916	(170,916)	-
Office space for ND II	-	-	-
	936,659	(936,659)	-

**20. RIGHT-OF-USE ASSETS (CONT'D)**

2024	Opening balance	Additions (dispositions)	Closing balance
	\$	\$	\$
<b>COST</b>			
Transformer housing and container for Exanorth	2,485,297	-	2,485,297
Office space for ND I	289,133	-	289,133
Office space for ND II	262,632	(262,632)	-
	3,037,062	(262,632)	2,774,430
<b>ACCUMULATED AMORTIZATION</b>			
Transformer housing and container for Exanorth	808,152	911,402	1,719,554
Office space for ND I	60,391	57,826	118,217
Office space for ND II	61,280	(61,280)	-
	929,823	907,948	1,837,771
<b>NET BOOK VALUE</b>			
Transformer housing and container for Exanorth	1,677,145	(911,402)	765,743
Office space for ND I	228,742	(57,826)	170,916
Office space for ND II	201,352	(201,352)	-
	2,107,239	(1,170,580)	936,659

**21. RELATED PARTY DISCLOSURES**

(a) Key management personnel transactions

Key management includes the Company's directors, officers and any consultants with the authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly, and includes Chief Executive Officer, Chief Financial Officer, Chief Technical Officer. Amounts owing to related parties consists of amounts due to key management.

During the years ended September 30, 2025 and 2024, key management personnel compensation consisted of short-term and long-term benefits and remuneration, and was classified as follows:

	2025	2024
	\$	\$
Total compensation paid to key management	1,714,860	223,481
Share-based payments	10,200,000	4,879,221
	11,914,860	5,102,702

**21. RELATED PARTY DISCLOSURES (CONT'D)**

(a) Key management personnel transactions (cont'd)

As of September 30, 2025 and 2024, amounts due to related parties consisted of the following:

	2025	2024
	\$	\$
Balances included in accounts and other payables	95,758	213,119
Related party advances	150,794	66,950
Convertible debentures	1,568,220	1,364,013

The balances are unsecured, due on demand and bear no interest, unless otherwise disclosed.

(b) Key management dispute

The Company filed a lawsuit against its former CEO, for employment-related matters. The former CEO has filed a countersuit for damages against the Company. The likelihood and magnitude of the amounts in dispute are not determinable as at the date of these consolidated financial statements and, as such, no provision has been recorded thereon.

(c) Convertible debentures

On August 10, 2021, the Company obtained an unsecured convertible loan from the Company's CEO, ("CEO Loan"), in the principal amount of \$1,000,000. The CEO Loan shall bear no interest prior to the maturity date. As and from the maturity date, any outstanding balance of the loan shall bear interest at an annual rate of 15% per annum, compounded semi-annually. The Company must repay the loan immediately upon the earliest of the date (the "Maturity Date") of the occurrence of the following events: (i) the Company receiving gross funds from investors participating in the Company's current round of equity financing totaling \$10,000,000 or more, or (ii) the Company having public market value/capitalization on a recognized Canadian stock exchange of at least \$50,000,000 or (iii) CEO ceasing to be the Chairman and CEO of the Company for any reason whatsoever, other than his voluntary resignation.

After the Maturity Date, the Company may also elect, at its sole discretion, to convert the amount of the loan in whole or in part into common shares of the Company at a price of CAD \$0.40 per common share.

The Company allocated the proceeds of \$1,000,000 as follows: first to liability component for \$945,267, with the residual value to the equity component for \$54,733. The debenture has not been converted or repaid subsequent to the year end.

During the year-ended September 30, 2025, interest expense of \$204,208 (2024 - \$183,156) was recorded on this balance.

**22. BORROWINGS AND PAYABLES**

(a) Accounts and other payables

	2025	2024
	\$	\$
Trade payable	4,818,584	6,312,889
Accrued liabilities	2,456,989	578,127
Wages and remittances payable	34,128	16,540
Settlement amount due, current portion	1,222,364	770,630
Settlement amount due, non-current portion	1,641,501	3,038,387

The Company entered into a settlement agreement with a customer, for hosting services, relating to deposits received in advance amounting to \$5.1 million approximately. The deposit related to increase in megawatt supply and related services. The Company has paid \$500,000 in March 2025, \$561,680 upon receipt of deposits from the Company's energy provider, and the remaining amount in 27 monthly installments of \$150,000 until July 2027; the impact of discounting amounting to \$1,252,663 (2025 – nil) is presented in statement of loss and comprehensive loss as a separate line item (see **Note 23** for other terms of settlement).

During the fiscal year ended September 30, 2025, the settlement amount was recalculated based on the revised repayment schedule, resulting in an impact of \$44,469, which is included in the '(Gain) loss on contract settlement' line in the statement of loss and comprehensive loss.

The undiscounted payment schedule, discounted value, and segregation between current and non-current portions of the settlement amount are as follows:

Year	Amount
	\$
2026	1,800,000
2027	1,450,000
2028	590,688
Settlement value, undiscounted	3,840,688
Discount rate	20%
Settlement value, discounted	2,863,865
Current portion	1,222,364
Non-current portion	1,641,501

**22. BORROWINGS AND PAYABLES (CONT'D)**

(b) Lease liabilities

The Company has entered into several lease agreements in accordance with IFRS 16, Leases, pertaining to its right-of-use assets (**Note 20**). As of September 30, 2025, the liabilities arising from these leases were assessed as follows:

	2025	2024
	\$	\$
Opening aggregate lease liability	2,117,539	2,637,472
Cancellations	(2,159,539)	(171,408)
Interest	72,172	337,213
Repaid during the year	(30,172)	(685,738)
Closing aggregate lease liability	-	2,117,539
Current portion	-	1,996,027
Non-current portion	-	121,512

The weighted average incremental rates during the year ended September 30, 2025 is 15% (2024 – 15%) per annum. In November 2024, a gain of \$65,628 was recorded on the cancellation of a lease. Additionally, in March 2025, a gain of \$1,900,788 was recorded on the cancellation of a separate lease.

(c) Senior secured loan

In June 2025, Bitzero Blockchain Inc. entered into a senior secured loan and guaranty agreement with a syndicate of lenders providing for up to \$25 million in debt financing, to be advanced in two tranches. The initial tranche of \$17,510,000 was approved and net proceeds of \$16,190,944 were received on August 1, 2025, after deducting the original issue discount and professional fees.

An additional delayed draw facility of up to \$8,240,000 is available at the lenders' discretion; lenders are not obligated to fund any delayed draw, and any advance, if elected by the lenders, is subject to (i) timely delivery of a borrowing notice, (ii) the total delayed draw borrowings not exceeding the available capacity, (iii) completion of due diligence, site visits and underwriting and receipt of credit approval, and (iv) the absence of any default or event of default at the time of funding.

The loan bears interest at the greater of (i) Term SOFR plus 11% per annum and (ii) 14% per annum, payable monthly in arrears. It matures 36 months from closing, with principal amortization commencing six months after the initial funding date.

In connection with the financing and subsequent to the year end, the Company issued warrants to the lenders entitling them to acquire, in aggregate, 25,534,972 units (consisting of 19,559,862 as part of the first tranche and 5,974,930 as part of the second tranche) at an exercise price of \$0.01 per share, expiring in five years. The warrants are subject to customary anti-dilution and ratchet provisions and may be exercised on a cash or cashless basis.

**22. BORROWINGS AND PAYABLES (CONT'D)**

(c) Senior secured loan (cont'd)

The loan agreement requires the Company to maintain, at all times, a minimum cash balance of \$2,000,000 in one or more bank accounts that are subject to account control arrangements specified by the lenders. At the reporting date, the Company held \$2,000,000 as cash in trust to satisfy this covenant. This amount is shown as restricted cash on the statement of financial position and is not available for general corporate purposes because its use would cause a breach of the covenant. No portion of the required minimum balance was held in Bitcoin at the reporting date. The requirement to maintain this balance will continue for so long as the loan remains outstanding or until the covenant is amended or waived.

The loan is secured by a pledge of the \$2,000,000 cash minimum in a lender controlled deposit account, account control agreements over specified deposit accounts, a blanket first priority lien on substantially all assets of the Company and certain subsidiaries, first priority pledges of 100 percent of the equity interests in Exanorth AS and Zetanorth AS, first priority fixed charges over Exanorth AS assets including a mortgage over real estate in Namsskogan, Norway, and a mortgage over North Dakota real estate owned by Bitzero ND I, LLC.

	Amount
	\$
Balance, September 30, 2024	-
Proceeds	16,190,944
Interest	715,410
Accretion	45,936
Principal repayment	-
Interest payments	(715,410)
Balance, September 30, 2025	16,236,880
Current portion	1,554,867
Non-current portion	14,682,013

	Amount
	\$
Loan balance, undiscounted, September 30, 2024	-
Additions	17,510,000
Payments	-
Loan balance, undiscounted, September 30, 2025	17,510,000
2026	2,100,000
2027	4,200,000
2028	11,210,000
Loan balance, undiscounted, September 30, 2025	17,510,000

**23. ACCOUNTS RECEIVABLE**

In March 2025, Exanorth entered into a settlement agreement with a customer, as described in **Note 22(a)**. Under this agreement, an amount of \$3,064,555, corresponding to the invoiced amounts excluded VAT, was written off as a provision for settlement in fiscal 2024. As part of the terms of the settlement, Exanorth received equipment valued at \$678,138 in March 2025.

The remaining balance of \$831,187, relating to VAT previously charged, was recognized as a receivable as at September 30, 2024, and was fully collected by September 30, 2025.

For the year ended September 30, 2025, the Company recognized trade receivables of \$993,579. Included in trade receivables was \$766,857, of which \$613,486 was recognized in change in provision for uncollectible receivables.

	Amount
	\$
Total outstanding invoiced balance (incl. VAT)	4,149,719
Allocated to mining assets and VAT recoverable	(119,000)
Loss on settlement	(134,977)
Provision for settlement	(2,386,417)
<b>Balance as at September 30, 2024</b>	<b>1,509,325</b>
Receipt of equipment	(678,138)
Collection of VAT receivable	(831,187)
Trade receivable	993,579
Provision for uncollectible receivables	(613,486)
<b>Balance as at September 30, 2025</b>	<b>380,093</b>

**24. EQUITY**

(a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares, with no par values.

Share issuances	Shares #	Share capital \$
Balance as at September 30, 2023	309,582,563	76,931,052
June 4, 2024	7,000,000	1,160,853
September 6, 2024	1,000,000	200,000
September 11, 2024	-	-
September 12, 2024	15,379,100	3,370,541
	23,379,100	4,731,394
Balance as at September 30, 2024	332,961,663	81,662,446
September 11, 2024	12,500,000	2,500,000
September 19, 2024	1,500,000	300,000
September 24, 2024	500,000	100,000
October 02, 2024	3,000,000	657,490
October 17, 2024	1,250,000	250,000
October 21, 2024	3,500,000	700,000
November 28, 2024	265,000	53,000
December 11, 2024	2,750,000	550,000
December 16, 2024	1,500,000	300,000
February 12, 2025	10,000,000	2,000,000
February 14, 2025	22,500,000	4,500,000
February 20, 2025	500,000	100,000
April 01, 2025	1,983,602	794,335
July 03, 2025	2,000,000	400,000
July 28, 2025	63,908	38,345
July 29, 2025	28,500,000	5,700,000
August 11, 2025	544,245	217,698
August 12, 2025	252,068	100,827
August 21, 2025	225,437	90,175
	93,334,260	19,351,870
Balance as at September 30, 2025	426,295,923	101,014,316

(b) Issued and outstanding share capital

During the year ended September 30, 2025, the Company issued 93,334,260 new shares (2024 – 23,379,100), increasing its share capital by \$19,351,870 (2024 - \$4,731,394).

**24. EQUITY (CONT'D)**

(b) Issued and outstanding share capital (cont'd)

Details regarding the 2025 shares issuances are as follows:

	Shares #	Price \$	Proceeds \$	Share capital \$
Subscriptions	36,536,750	0.21	7,511,700	7,511,700
Exercise of RSUs	54,000,000	0.20	n/a	10,857,490
Advisory shares	750,000	0.20	n/a	150,000
Exercise of options	1,983,602	0.05	99,179	794,335
Legal settlement	63,908	n/a	n/a	38,345
	93,334,260		7,610,879	19,351,870

(c) Options

The Company has a stock option plan (the "Stock Option Plan") under which the Board of Directors may grant to directors, officers, employees and technical consultants to the Company non-transferable options to purchase common shares, exercisable for periods of 3 to 5 years from the date of the grant.

A summary of the stock options is as follows:

	Number #	Weighted- average exercise price \$	Amount \$
Balance, September 30, 2023	31,558,255	0.28	5,433,466
Granted, July 7, 2024	500,000	0.20	109,247
Cancelled	(20,994,320)	0.34	(2,638,325)
Balance, September 30, 2024	11,063,935	0.16	2,904,388
Exercised	(1,983,602)	0.05	(695,155)
Balance, September 30, 2025	9,080,333	0.19	2,209,233
Exercisable	8,580,333	0.19	2,000,806

2024 Vesting Conditions	Options outstanding #	Weighted- average exercise price \$	Weighted- average remaining life \$
Immediately	4,113,935	0.05	1.60
1/3 per year from grant date	3,050,000	0.05	1.60
Immediately	1,700,000	0.40	2.78
Immediately	1,500,000	0.40	2.43
Immediately	200,000	0.40	2.50
Subsidiary reaches revenue of EUR 4 million	500,000	0.20	4.69
Outstanding, September 30, 2024	11,063,935	0.16	2.05
Exercisable, September 30, 2024	10,563,935	0.16	1.93

**24. EQUITY (CONT'D)**

(c) Options (cont'd)

2025 Vesting Conditions	Options outstanding	Weighted- average exercise price	Weighted- average remaining life
	#	\$	\$
Immediately	5,530,333	0.27	1.47
1/3 per year from grant date	3,050,000	0.05	0.85
Subsidiary reaches revenue of EUR 4 million	500,000	0.20	3.94
Outstanding, September 30, 2025	9,080,333	0.19	1.40
Exercisable, September 30, 2025	8,580,333	0.19	1.25

**25. CONTINGENT LIABILITIES**

In addition to the matter outlined in **Note 21**, the Company is involved in the following legal proceedings.

The Company filed a lawsuit against its former CEO, for employment-related matters. The Company seeks to cancel the issuance of shares and other equity instruments in the Company. The former CEO has filed a countersuit for damages against the Company. The likelihood and magnitude of the amounts in dispute are not determinable as at the date of these consolidated financial statements and, as such, no provision has been recorded thereon.

On February 7, 2024, a lawsuit was filed in North Dakota against the Company alleging breach of an unsigned employment contract, with claims totaling \$1,258,567 plus interest and costs. The Company is contesting the matter, and the outcome cannot presently be determined.

On May 14, 2025, a construction lien dispute was filed in North Dakota seeking \$131,545 for work performed prior to the Company's property acquisition. The claim has since been settled, pursuant to an agreement signed on October 29, 2025. For further details, refer to **Note 28(e)**.

Management has concluded that the outcome of these proceedings, with the exception of the matter settled on October 29, 2025, cannot be determined and no provisions have been recorded.

**26. FINANCIAL INSTRUMENTS**

(a) Classes and categories of financial instruments and their fair values

The following table combines information about: (i) Classes of financial instruments based on their nature and characteristics, (ii) The carrying amounts of financial instruments, (iii) Fair values of financial instruments, and (iv) Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

**26. FINANCIAL INSTRUMENTS (CONT'D)**

(a) Classes and categories of financial instruments and their fair values (cont'd)

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable: (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) 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), and (iii) 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 market data (unobservable inputs).

*Financial assets*

2025	Level	FVTPL - mandatorily measured	FVOCI	FVOCI - designated	Amortized cost
		\$	\$	\$	\$
Restricted cash	N/A	-	-	-	2,000,000
Accounts receivable	N/A	-	-	-	380,093
Cash held in trust	N/A	-	-	-	2,973,500
Cash and cash equivalents	N/A	-	-	-	2,501,986
		-	-	-	7,855,579

2024	Level	FVTPL - mandatorily measured	FVOCI	FVOCI - designated	Amortized cost
		\$	\$	\$	\$
Accounts receivable	N/A	-	-	-	1,509,325
Cash and cash equivalents	N/A	-	-	-	687,226
		-	-	-	2,196,551

*Financial liabilities*

2025	Level	FVTPL - designated	FVTPL - mandatorily measured	Amortized cost
	#	\$	\$	\$
Accounts and other payables	N/A	-	-	7,309,701
Settlement liability	N/A	-	-	2,863,865
Contingent consideration payable	Level 3	-	1,760,547	-
Lease liability	N/A	-	-	-
Related party advances	N/A	-	-	150,794
Loans payable	N/A	-	-	16,236,880
Convertible debentures	N/A	-	-	1,568,220
		-	1,760,547	28,129,460

**26. FINANCIAL INSTRUMENTS (CONT'D)**

(a) Classes and categories of financial instruments and their fair values (cont'd)

*Financial liabilities (cont'd)*

<i>2024</i>	Level	FVTPL - designated	FVTPL - mandatorily measured	Amortized cost
	#	\$	\$	\$
Accounts and other payables	N/A	-	-	6,907,556
Settlement liability	N/A	-	-	3,809,017
Contingent consideration payable	Level 3	-	1,760,547	-
Lease liability	N/A	-	-	2,117,539
Related party advances	N/A	-	-	66,950
Convertible debentures	N/A	-	-	1,364,013
		-	1,760,547	14,265,075

(b) Transfers

There were no transfers between Level 1, 2 and 3 during the current or prior year.

(c) Financial risk management

The Company has exposure to credit risk, liquidity risk, and market risk arising from financial instruments. Management considers credit risk and market risk to be low.

*Risk management framework*

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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 adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

*Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on liabilities (other than trade payables) over the next 60 days.

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**26. FINANCIAL INSTRUMENTS (CONT'D)**

(c) Financial risk management (cont'd)

*Liquidity risk (cont'd)*

The Company also monitors the level of expected cash inflows on trade and other receivables, together with the expected outflows on trade and other payables.

The Company's exposure to liquidity risk is \$29,890,007 as at September 30, 2025 (2024 – \$16,025,622), for which the Company has cash of \$5,475,486 on hand to satisfy its liabilities (2024 – \$687,226). There have been no changes to the method for managing liquidity risk.

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. In order to reduce its credit risk, the Company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. Allowance for doubtful accounts of \$613,486 was recorded in 2025 (2024 - \$nil) (see **Note 23**).

Cash and cash equivalents and restricted cash are held with reputable financial institutions. Counterparty exposure is monitored and considered low. Cash held in trust represents amounts held with the Company's lawyers which is restricted as per the loan agreement and are current in nature. Digital currencies are not financial assets and are outside expected credit loss measurement. Credit exposure is considered low as the Company extracts digital currencies from its mining pool on a daily basis. Prepaids and deposits consist of advances to vendors and refundable deposits. Counterparties are assessed and monitored, and no loss allowance has been recognized.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Company is mainly exposed to interest rate and currency risk.

*Foreign currency risk*

The Company is exposed to foreign currency risk primarily through its operations in multiple jurisdictions and transactions denominated in currencies other than its functional currency. Foreign currency risk arises from recognized assets and liabilities, as well as future commercial transactions that are denominated in a currency different from the functional currency of the Company entities. The Company monitors its exposure to foreign currency risk on an ongoing basis and uses derivative financial instruments, such as forward exchange contracts, to hedge significant foreign currency exposures when considered appropriate and as when required. The effectiveness of these hedging instruments is assessed regularly. However, the Company does not hedge all of its foreign currency exposures, and fluctuations in exchange rates could have a material impact on the Company's financial performance and position.

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**26. FINANCIAL INSTRUMENTS (CONT'D)**

(c) Financial risk management (cont'd)

*Interest rate risk*

The Company's exposure to interest rate risk arises primarily from its variable-rate borrowings and lease liabilities. Changes in market interest rates can affect the Company's interest expense and the value of its financial liabilities. To manage interest rate risk, the Company may enter into interest rate swap agreements to convert variable-rate debt into fixed-rate debt, thereby reducing exposure to fluctuations in interest rates. Management regularly reviews the interest rate exposure and considers the potential impact of interest rate movements on its financial performance. However, there can be no assurance that these measures will fully mitigate the impact of interest rate fluctuations.

*Digital currency risk*

The Company is exposed to digital currency risk due to its holdings and transactions in cryptocurrencies. Digital currency risk arises from the volatility in the market prices of cryptocurrencies, which can fluctuate significantly due to various factors, including market demand, regulatory developments, and macroeconomic trends.

The Company manages its digital currency risk by monitoring market conditions and may engage in hedging activities, such as entering into derivative contracts, to mitigate the impact of adverse price movements. However, given the inherent volatility and the relatively nascent nature of digital currency markets, there remains a significant risk that the value of the Company's digital assets could experience substantial fluctuations, which could materially affect the Company's financial performance and position.

*Custody risk*

The Company mines digital assets through a pool and transfers rewards from the pool to Company-controlled private wallets on a daily basis, and safeguards these holdings through a tiered wallet structure. Transactions are subject to segregation of duties and role-based approvals. Private keys are generated in controlled environments with encrypted, geographically separated backups and periodically refreshed. The Company does not use a third-party custodian to hold digital assets and exposure to the pool is minimized through daily withdrawals and monitoring. Wallet activity is reconciled and reviewed by management.

*Loss of access risk*

The loss of access to the private keys associated with the Company's Bitcoin holdings may be irreversible and could adversely affect an investment. An amount of Bitcoin is spendable only by whoever possesses the private key associated with the address on which the Bitcoin is held. To the extent a private key is lost, destroyed, or otherwise compromised, and no backup is accessible, the Company may be unable to access the associated Bitcoin. To mitigate this, the wallets are designed such that no single key, device, or individual is critical, encrypted back-ups and/or key-share arrangements are maintained in secure locations to enable controlled recovery.

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**26. FINANCIAL INSTRUMENTS (CONT'D)**

(c) Financial risk management (cont'd)

*Loss of access risk (cont'd)*

Management reviews recoverability regularly. As of September 30, 2025, 7.61 Bitcoin equivalent to \$753,211 is held in private wallets (September 30, 2024 – 38.01 Bitcoin equivalent to \$2,490,936)(**Note 13**).

**27. CAPITAL MANAGEMENT**

The Company defines capital as its equity. The Company's objective when managing capital is: (i) to safeguard the ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders; and (ii) to provide an adequate return to shareholders by obtaining an appropriate amount of financing commensurate with the level of risk. The Company sets the amount of capital in proportion to the risk. The Company manages its capital structure and adjusts in light of the changes in economic conditions and the characteristic risk of underlying assets.

To maintain or adjust the capital structure, the Company may repurchase shares, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Company is not subject to any externally imposed capital requirements. The Company's objective is met by retaining adequate liquidity to provide for the possibility that cash flows from assets will not be sufficient to meet operational, investing, and financing requirements. There have been no changes to the Company's capital management policies during the year ended September 30, 2025 and 2024.

**28. SUBSEQUENT EVENTS**

(a) Private placements

In October 2025, the Company closed brokered private placements totaling 2,937,500 units for gross proceeds of \$1,175,000. Each unit comprises one convertible debenture and one common share purchase warrant. The convertible debentures bear interest at 15 percent per annum from issuance to the earlier of holder-elected conversion or three years from the date of issuance and are convertible into one common share at \$0.40 per share. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.50 per share for two years from the date of issuance.

Subsequent to year end, the Company closed a brokered private placement totaling 3,750,000 units for gross proceeds of \$1,500,000. Each unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.40 per share for 2 years from the date of issuance.

(b) Issuance of RSUs

In October 2025, the Company granted 1,000,000 RSUs at a stated price of \$0.40 per unit, with each unit being convertible into one common share upon exercise by the holder. The RSUs vested upon completion of the reverse takeover of the Company.

**28. SUBSEQUENT EVENTS (CONT'D)**(c) Issuance of convertible debt

In October 2025, the Company issued convertible debentures for gross proceeds totalling \$2,853,990. The convertible debenture entitles the holder to interest at 10% per annum on the subscribed amount from the date of its issuance to the earlier of: (i) its conversion at the sole discretion of the holder, or (ii) 18 months after its issue date. Each convertible debenture converts at \$0.40 per common share of the Company.

(d) Contingent consideration

Subsequent to the reporting date, there have been no changes to status of the settlement with a shareholder. The contingent consideration described in **Note 14** remains outstanding, the SPA has not been executed, the kr 2,000,000 (\$190,335) cash payment has not been made, and the transfer of KlimaCloud shares has not occurred.

(e) Settlement of claims

Subsequent to period end, on October 29, 2025, Bitzero entered into a settlement agreement resolving the construction lien dispute filed on May 14, 2025 in North Dakota (**Note 25**). Under the settlement, Bitzero is obligated to pay \$110,000, which represents full and final settlement of the claim.

(f) Senior secured loan – subsequent draw

Subsequent to the year end, the Company drew the second tranche under the senior secured loan and guaranty agreement entered into in June 2025. The Company received gross proceeds of \$8,245,000 (the delayed draw facility), less applicable original issue discount and fees, in accordance with the loan agreement terms.

(g) Go-public transaction

In November 2025, Bitzero completed a go-public transaction in Canada structured as a triangular amalgamation under the Business Corporations Act (British Columbia) with WBM Capital Corp. ("WBM") and its wholly owned subsidiary, 1555476 B.C. Ltd ("Subco"), pursuant to an amalgamation agreement dated November 3, 2025. Under the Amalgamation Agreement, Bitzero amalgamated with 1555476 B.C. Ltd. to form a new corporation that became a wholly owned subsidiary of WBM.

All issued and outstanding Bitzero common and non-voting shares were exchanged for fully-paid and non-assessable WBM common and non-voting shares on the basis of ten Bitzero shares for one WBM share. Outstanding Bitzero options, RSUs and warrants were adjusted to provide rights to acquire WBM common shares in accordance with their terms.

As control of the combined entity resides with the former owners of Bitzero, the transaction is accounted for as a reverse acquisition with Bitzero as the accounting acquirer and WBM as the accounting acquiree. The transaction will be accounted for in accordance with IFRS 2, with any excess of the fair value of the deemed consideration over the fair value of WBM's identifiable net assets recognized as a listing expense in profit or loss in the period of closing.

**28. SUBSEQUENT EVENTS (CONT'D)**

(g) Go-public transaction (cont'd)

On November 24, 2025, Bitzero's common shares began trading on the Canadian Securities Exchange under the ticker "BITZ.U".

**SCHEDULE B: MANAGEMENT DISCUSSION AND ANALYSIS**

**BITZERO BLOCKCHAIN INC.**

Management's Discussion and Analysis  
For the year ended September 30, 2025

*(expressed in United States Dollars, unless otherwise stated)*

## **1. MANAGEMENT'S DISCUSSION AND ANALYSIS**

This Management's Discussion and Analysis (this "MD&A") provides a review of the results of operations, financial condition and cash flows for Bitzero Blockchain Inc. ("Bitzero" or the "Company"), on a consolidated basis, for year ended September 30, 2025.

This document should be read in conjunction with the information contained in the Company's audited consolidated financial statements and related notes for the year ended September 30, 2025 (the "2025 Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise indicated, all dollar ("\$") and "USD" amounts and references in this MD&A are in United States dollars.

Unless otherwise stated, in preparing this MD&A the Company has taken into account information available to it up to the date of this MD&A, January 28, 2026, being the date the Company's board of directors (the "Board") approved this MD&A and the corresponding financial statements. All quarterly information contained herein is unaudited.

This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A contains information up to and including January 28, 2026.

## **2. CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION**

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to our objectives and the strategies to achieve these objectives, expected hashrate growth and fleet efficiency; anticipated expansion of capacity at the Norwegian facility; expected economies of hosting arrangements; liquidity and capital resources; the impact of the April 2028 Bitcoin halving on mining economics; and the timing and magnitude of planned equipment purchases, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that infer actions, events or results with terminology such as "may", "could", "would", "might", "will be taken", "occur" or "be achieved".

Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments and, therefore, the reader is cautioned that such information may not be appropriate for other purposes.

Forward-looking information is based upon numerous assumptions and is subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, the risk factors that are discussed in greater detail under "Risk Factors and Uncertainties".

Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, readers are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions were made in preparing the forward-looking information concerning availability of capital resources, business performance, market conditions, and customer demand.

**2. CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION (CONT'D)**

Forward looking information is based on the following material factors and assumptions: (i) average BTC prices and transaction fees within management's planning ranges; (ii) network difficulty consistent with recent trends; (iii) stable access to competitively priced hydroelectric power and grid availability in NO4; (iv) fleet uptime and curtailment consistent with historical performance and grid flexibility agreements; (v) the availability of mining equipment on disclosed timelines and budget; (vi) hosting customer demand and adherence to contractual terms. Actual results may differ materially due to risks and uncertainties described under "Risk Factors and Uncertainties".

Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation.

Forward-looking information is subject to the risks and uncertainties described under "Risk Factors and Uncertainties" in this MD&A. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and we do not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

**3. OVERVIEW AND SIGNIFICANT EVENTS**

(a) General information

Bitzero Blockchain Inc. (the "Company" or "Bitzero"), was incorporated under the laws of the Province of British Columbia on April 16, 2021. The Company's registered office is located at 925-1000 Cathedral Place, West Georgia Street, Vancouver, British Columbia V6C 3L2 Canada.

Bitzero has cryptocurrency mining activities in Norway, solely focused on the mining of the bitcoin ("Bitcoin"). The business of Bitcoin mining focuses on the utilization of specialized equipment to solve complex computational problems to validate transactions on the Bitcoin blockchain and receiving Bitcoin in return for successful services.

These mining activities are conducted by Exanorth AS ("Exanorth"), a Norwegian limited liability entity controlled by Bitzero Blockchain Inc., which holds a data center in Norway (the "Data Center") for the provision of data processing services for the mining of digital currency.

(b) Basis of consolidated reporting

The consolidated financial statements include the accounts of the Company and subsidiaries. Subsidiaries are entities controlled by the Company. The financial transactions of subsidiaries are included in the consolidated financial statements from the date control is obtained. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Intercompany balances, transactions, income, and expense are eliminated and gains or losses on intercompany transactions are eliminated. Where the Company does not own 100% of the subsidiary or associate, non-controlling interest is classified as a component of equity. The accounting policies of subsidiaries are the same as those of the Company.

**3. OVERVIEW AND SIGNIFICANT EVENTS (CONT'D)**

(b) Basis of consolidated reporting (cont'd)

Subsidiary	Ownership at 30-Sep-25	Ownership at 30-Sep-24	Country of incorporation
Exanorth AS	100%	100%	Norway
Bitzero Inc.	100%	100%	Barbados
Bitzero ND I	100%	100%	United States
Bitzero ND II	100%	100%	United States
Zetanorth AS	100%	0%	Norway
Bitzero Finland Oy	100%	0%	Finland

(c) Description of the business

Data centers are physical facilities that are used to house computer systems and associated components, IT infrastructure, critical applications, and data for applications and services. Data centers can be used for a variety of purposes and support the needs of large-scale applications, including but not limited to Bitcoin mining, cloud computing, web hosting, processing large data sets, providing the foundation for artificial intelligence, machine learning, and more. Data center designs are based on computing and networking solutions and include components such as routers, switches, firewalls, storage systems, and more.

Bitcoin mining is the process by which new Bitcoins are created and transactions are verified and added to the public ledger known as the Bitcoin Blockchain (the “Blockchain”). Mining is conducted by miners using hardware and software to generate a cryptographic number that is equal to or less than a number set by the Bitcoin network’s algorithm. Bitcoin self-mining refers to the process by which a miner validates Bitcoin transactions and adds them to the Blockchain ledger without relying on a trusted third party.

“Hashrate” is a measure of the computational power used in the mining process of cryptocurrencies, it indicates how many hash functions a miner can perform per second. Generally, the higher the Hashrate, the more attempts a miner can make to add new blocks to the Blockchain. Bitcoin Hashrates are generally measured through exahashes per second (EH/S); one exahash equals 10<sup>18</sup> hashes, which means EH/S indicates how many quintillion hash calculations can be performed in one second. EH/S represent high levels of computational power associated with large-scale mining operations or data centers.

Data center hosting is a service where companies and organizations store and manage their IT infrastructure in third-party data centers, enabling them to use the same the services, features, and capabilities of a data center without building their own infrastructure. Data center hosting comes in various forms, including the following: (i) dedicated hosting: a client rents an entire server, giving them full control over its resources; (ii) shared hosting: multiple clients share the same server and its resources, making it more cost-effective but with limited control; (iii) virtual private server hosting: a server is divided into multiple servers, offering more control and resources than shared hosting; and (iv) cloud hosting: resources are distributed across multiple servers, allowing for scalability and flexibility.

Bitzero was created to disrupt and innovate in the Blockchain and data center spaces to move markets away from unsustainable data and mining practices. It is engaged in the development and operation of data centers and related energy infrastructure, Bitcoin self-mining, and high performance computing (“HPC”) hosting.

**3. OVERVIEW AND SIGNIFICANT EVENTS (CONT'D)**

(c) Description of the business (cont'd)

Bitzero's primary objective is to address the increasing demand for IT energy infrastructure driven by the growth of Blockchain technology and other HPC applications by leveraging advanced technology and energy-efficient solutions. By creating harmony with local authorities, investors, and customers, Bitzero aims to become a leader in Blockchain mining and HPC hosting in a sustainable fashion and set a new global standard for best practices in clean energy sourcing, heat capture, and sustainability within local communities.

The Company's strategic objective is to become a leader in sustainable blockchain mining and high-performance computing hosting, leveraging advanced technology and energy-efficient solutions.

(d) Products and services

Exanorth owns a 50,000 square meter property in Norway (the "First Norway Property"), powered 100% by hydroelectric energy, and is in the low-cost NO4 region of Norway where it benefits from cooler temperatures, proximity to network lines including polar cables, and on-site security. The First Norway Property has infrastructure optimized for very low carbon displacement, given that is powered by 100% hydro energy.

On February 21, 2024, Exanorth entered into a flexibility services agreement (the "Flexibility Services Agreement") in connection with its First Norway Property. Through the Flexibility Services Agreement, Exanorth adjusts energy usage at the First Norway Property to stabilize the power grid. When Exanorth engages in stabilization efforts, it is compensated under the terms of the Flexibility Services Agreement while also supporting sustainability.

The First Norway Property provides Bitzero with an advantageous location for cryptocurrency mining for the following key reasons: (i) Norway is committed to large scale expansion of data center businesses; (ii) low temperatures reduce server cooling costs, significantly lowering the dependency on excessive energy use; (iii) clean outside air limits the maintenance required to keep machines in working condition; (iv) the First Norway Property is located next to the local power grid which supplies energy to the Data Center located in Norway. Since the grid is so close to the First Norway Property, the grid fee is low, and energy produced is conserved; (v) fast and reliable internet connection enables dependable communications; and (vi) hydropower accounts for 90% of Norwegian electricity production, which is considered to be the cheapest source of renewable energy.

The First Norway Property has approximately 320MW total capacity. 40MW of active capacity at the First Norway Property is being used by the Data Center in Norway, and the remaining capacity is expected to be activated through development and grid updates in two phases. Exanorth intends to expand active capacity at the First Norway Property over the coming months and has approval to support expansion of 70MW, adding up to a total of 110MW in phase 1, with a subsequent phase expected to add 210MW, bringing total active capacity to 320MW upon completion.

In August 2024, Exanorth received approval from the Norwegian Water Resources and Energy Directorate to operate as a utility, which means that Exanorth can control the First Norway Property's own electrical supply, and energy distribution and grid costs.

The Data Center is located on the First Norway Property. Currently, the Data Center operates as Bitzero's self-mining revenue-generating operations and is the focal point of Bitzero's operations.

**3. OVERVIEW AND SIGNIFICANT EVENTS (CONT'D)**

(d) Products and services (cont'd)

All the Bitcoin that is self-mined at the Data Center is rewarded from the Luxor Mining Pool (as defined above) and owned by the Barbadian Subsidiary.

The Norway Data Center is powered by hydro energy and Bitcoin mining operations at the Norway Data Center have a Hashrate of 1.82 EH/S. Currently, the site has 32 containers and 11,219 miners.

ND I, LLC acquired a property located at 81<sup>st</sup> Street, Nekoma, County of Cavalier, and State of North Dakota (the "North Dakota Property") in July 2022 pursuant to an agreement with Cavalier County Job Development Authority dated July 18, 2022 (the "North Dakota Property Purchase Agreement"). The North Dakota Property is over 184 acres and benefits from a diversified energy mix including wind, natural gas, and grid sources, ensuring reliability and efficiency.

The North Dakota Property has total capacity of approximately 200MW-300MW. Currently, there is 2.5MW of active capacity that is immediately available but not currently being used, and further inactive capacity that can be accessed once studies are conducted, facilities are built, and investments in system upgrades are made. Additionally, on the North Dakota Property, there is an 80,000-gallon diesel tank and additional liquid storage tank, which can provide large-scale back-up power supplies, enabling the North Dakota Property to operate independently of other electrical suppliers.

The North Dakota Property houses a currently non-operational data center (the "Nekoma Pyramid"). The Nekoma Pyramid was initially built in the late 1960s with initial commissioning occurring in 1975 during the cold war. It consequently has desirable security characteristics well suited for storing highly sensitive information.

The Nekoma Pyramid's special features and competitive advantages are summarized as follows: (i) Potential to offer customers an extremely high level of physical security due to its original design as a government defense installation, making it useful for clients with strict requirements in the areas of data protection and physical security; (ii) Fully reinforced concrete and steel, designed to protect building contents; and (iii) There are redundant power feeds available, which are built to work into the redundant power systems in datacenters and ensure that power gets delivered to all functional server components and acts as physical power supplies sample space for onsite generation and fuel storage.

ND I, LLC and Bitzero are in the process of developing the North Dakota Property and planning the use of the Nekoma Pyramid for their operations. On August 1, 2024, ND I, LLC entered into an agency agreement with Cushman & Wakefield U.S., Inc. (the "C&W Agency Agreement"). Pursuant to the C&W Agency Agreement, the North Dakota Property may be sold or leased to a third-party, or ND I, LLC may retain the North Dakota Property for its own use.

Another central component of Bitzero's business model is Bitcoin mining. Bitzero is focused on Bitcoin mining because it is the most efficient way for Bitzero to convert energy into sustainable cash flows. This method is predictable, straightforward to manage, and not excessively capital-intensive, with relatively low upfront costs. It involves directly converting energy into cash flows through capital expenditure and infrastructural projects. Currently, all of Bitzero's Bitcoin mining operations are conducted at the Data Center. Bitzero and its subsidiaries do not mine any other cryptocurrency assets. On December 15, 2021, the Barbadian Subsidiary entered into a data services agreement with Exanorth (the "Barbadian-Exanorth Data Services Agreement"). Pursuant to the Barbadian-Exanorth Data Services Agreement, all Bitcoin that is self-mined at the Data Center is owned by the Barbadian Subsidiary.

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**3. OVERVIEW AND SIGNIFICANT EVENTS (CONT'D)**

(d) Products and services (cont'd)

The process by which cryptocurrency coins or tokens are created and transactions are verified is called mining. A user or miner operates a publicly distributed mining client, which turns the user's computer into a "node" on the network that validates blocks. In order to add blocks to the Bitcoin Blockchain, a miner must map an input data set (i.e., the Blockchain plus a block of the most recent transactions and an arbitrary number called a "nonce") to a desired output data set of a predetermined length using an algorithm. As more miners join the network and its processing power increases, the network adjusts the complexity of the block solving equation to maintain a pace of adding a new block to the Blockchain approximately every 10 minutes. Below is further disclosure on the specific steps taken in Bitcoin mining operations, including how Bitzero currently engages in Bitcoin mining.

Bitcoin miners must first secure land with allocated energy resources, typically measured in MW. After that, the Bitcoin mining site must be prepared for site construction. At the Data Center, substantiation construction took place which required building a 40MW substation to convert high-voltage grid power to low voltage. The necessary electrical cabling was installed and then contracts with the local energy grid providers were entered into to secure fixed energy prices for 5 years. On January 1, 2023, Exanorth and an energy provider entered into two power delivery agreement (the "Energy Provider Power Agreement"), whereby the energy provider provides physical power delivery and additional services to the First Norway Property. All electricity and power supplied to the Data Center is through the energy provider through the Energy Provider Power Agreement.

Bitcoin mining containers are used so that owners and investors can move mining rigs easily. In essence, Bitcoin mining containers are shipping containers equipped with the necessary components to conduct mining operations, including power supply units, cooling systems, security measures, and fire suppression systems. Each Bitcoin mining container houses several mining computers in racks, consuming approximately 1MW of power each. The number of mining units per container varies (typically between 200 and 312), depending on the equipment. The containers include racks for miners, power distribution units (PDUs), cooling systems to maintain optimal temperatures, and fire suppression systems.

Every 10 minutes, a new block is added to the Blockchain ledger by all the mining computing power existing in the world, comprising approximately 4,500 Bitcoin transactions. Every 10 minutes, the global Bitcoin network rewards miners with 3.125 Bitcoins. This results in a total daily reward of 450 Bitcoins for all miners combined. This reward amount halves approximately every four years (once the right block height is reached). The Bitcoin reward per unit of mining equipment is predictable at the time of purchase but varies over time based on market share. For example, if there are 9 equally powerful mining units globally and Bitzero adds one more, Bitzero would receive 10% of the daily 450 Bitcoin reward. Currently, the total network computing power is over 800 exahashes per second (EH/s), while the most efficient single miner operates at approximately 0.0002 EH/s.

Bitzero focuses on self-mining at the Data Center and earns revenue through the amount of Bitcoin mined. On May 26, 2022, Bitzero and Luxor Technology Corporation ("Luxor") entered into a services agreement (the "Luxor Services Agreement") pursuant to which Bitzero engaged Luxor to set up a mining pool (the "Luxor Mining Pool") and provide maintenance of the Luxor Mining Pool on a cloud host that Luxor and Bitzero have access to. Pursuant to the Luxor Services Agreement, Luxor also shall provide maintenance of the software underlying the Luxor Mining Pool, that has the specification of a commercially standard cryptocurrency Mining Pool (the "Luxor Software"), which is licensed by Luxor to Bitzero.

**3. OVERVIEW AND SIGNIFICANT EVENTS (CONT'D)**

(d) Products and services (cont'd)

The Luxor Software includes any other software intentionally delivered to Bitzero, such as updates delivered pursuant to maintenance and support services and/or hosting services provided by Luxor. The Luxor Agreement references a block reward, consistent of a combination of: (a) the amount of newly minted Bitcoins in each block as fixed by the Bitcoin protocol (the "Block Subsidy"), and (b) fees paid by users of the Bitcoin network to have their transactions included in the current block (the "Transaction Fees". These fees are aggregated per block and typically paid out to the miner who solved the block by being combined with the Block Subsidy into one transaction output (the "Block Reward"). The aggregate Block Reward paid to all miners is aggregated for calculation purposes (the "Total Miner Reward"). Pursuant to the Luxor Services Agreement, Luxor receives 0.20% of each Total Miner Reward and Bitzero will receive the remaining 99.80% of each Total Miner Reward. Currently, the Block Subsidy of newly minted Bitcoins in each block is 3.125 Bitcoin per block.

Transaction fees are a crucial component of the Bitcoin network's incentive structure, ensuring that miners prioritize certain transactions and continue to maintain the network even after Block Rewards diminish over time.

Miners receive transaction fees as an additional incentive, supplementing the Block Reward (the newly created Bitcoins given to the miner who finds a new block). Users can attach fees to their transactions to incentivize miners to prioritize their transactions over others. Higher Transaction Fees typically result in faster confirmation times. The total Transaction Fees paid depends on the transaction size in bytes and the fee rate set by the user.

The demand for data centers is increasing across the globe among cryptocurrency miners, cloud service providers, and artificial intelligence companies. There has been a significant increase in governmental regulation around carbon emissions from high-energy consuming data centers, including in Norway which has become a popular destination for cryptocurrency miners. Additionally, security concerns are of a high degree of importance since data centers handle extremely sensitive, large volumes of information. With these considerations, identifying new data center opportunities for Bitzero's ecosystem partners to provide efficient and low-cost energy solutions is a core part of its business model. While Bitzero currently has the Data Center and the non-operational Nekoma Pyramid, it also is undergoing negotiations to expand its facilities in the North American and Scandinavian regions.

(e) Acquisition of options to purchase Exanorth AS

On August 6, 2021, the Company entered into an arrangement with a third party to acquire call options on the issued and outstanding shares of Exanorth, along with various rights to lease real estate property on which Exanorth conducted its operations, for aggregate consideration of \$2,969,303.

At the time of the transaction, the Company had intended to build and operate a data center for its digital currency mining operations using the infrastructure existing at Exanorth.

The Company used the Black-Scholes option pricing model to determine the fair value of the call options as follows: exercise prices of €15,504 to €65,804 (15,192 USD to 64,481 USD) per share; the expected volatility of its common shares was set at 20 to 42% using historical volatility of comparable public companies; the risk-free interest rate was set at -0.04 to 0.54% based on the yield available on government benchmark bonds; the expected life was set at 1.16 to 1.18 years; and the dividend yield was set at 0%.

**3. OVERVIEW AND SIGNIFICANT EVENTS (CONT'D)**

(e) Acquisition of options to purchase Exanorth AS (cont'd)

As a result, the Company recorded the investment asset on account of this transaction as at and for the year ended September 30, 2021:

	2021
	\$
Purchase of call options over common shares of investee	2,961,798
Fair value adjustment on call options held for the year	520,965
Foreign exchange loss component pertaining to fair value adjustment for the year	(191,420)
	<u>3,291,343</u>

On October 22, 2021, Bitzero and Exakraft AS entered into a share purchase agreement, as amended on November 10, 2021, January 14, 2022, January 31, 2022, February 10, 2022, and March 1, 2022 (together, the "SPA") through which Bitzero exercised certain call options, resulting in the Company acquiring 66% of the issued and outstanding shares of Exanorth.

Aggregate consideration paid for the acquisition, along with the allocation of consideration to the fair value of net identifiable assets of Exanorth was calculated as follows:

	Note	2022
		\$
<u>Consideration transferred</u>		
Exercise of call options	(i)	3,558,595
Cash consideration	(ii)	2,547,160
Common shares issued to vendor	(iii)	2,250,000
Contingent cash consideration	(iv)	1,900,000
Deferred cash consideration		1,382,476
Settlement of pre-existing loans		1,059,746
Transaction costs		206,598
Fair value of total consideration transferred		<u>12,904,575</u>

- (i) The value of the call options increased from \$3,291,343 as at September 30, 2021 to \$3,558,595 as a result of a foreign exchange gain, refer to **Note 14(a)** in the financial statements.
- (ii) The cash consideration relates to the remaining 34% of the shares in Exanorth.
- (iii) As part of consideration in the acquisition, the SPA included a delivery of 5,000,000 common shares of the Company. The common shares were valued at \$2,250,000 using a combination of previous equity raises and a 25% discount for lack of marketability.
- (iv) As part of consideration in the acquisition, contingent consideration was included and was the fair value was determined based on the management's best estimate at the reporting date. The contingent consideration was subsequently revalued to \$1,760,547 resulting in a gain of \$139,453. As at September 30, 2025, there has been no further remeasurement, as there have been no changes in the underlying circumstances affecting the Management's best estimate.

**3. OVERVIEW AND SIGNIFICANT EVENTS (CONT'D)**

(e) Acquisition of options to purchase Exanorth AS (cont'd)

	Note	2022
		\$
<u>Fair value of identifiable net assets acquired</u>		
Technology infrastructure		2,872,018
Land		207,672
Cash and cash equivalents		22,092
Accounts payable		(726,426)
Due to Bitzero		(1,080,415)
Other liabilities		(1,039)
Fair value of total identifiable net assets		1,293,902
Goodwill		7,603,446
Non-controlling interest		4,007,227
<b>Total</b>		<b>12,904,575</b>

(f) Acquisition of Bitzero Finland Oy

On January 23, 2025, the Company purchased 100 shares of Bitzero Finland Oy (formerly Ahold XVIII Oy), domiciled in Finland, representing 100% of issued share capital of the acquiree. The Company's intent is to expand its operations into Finland at a later date.

(g) Senior secured loan

In June 2025, Bitzero Blockchain Inc. entered into a senior secured loan and guaranty agreement with a syndicate of lenders providing for up to \$25 million in debt financing, to be advanced in two tranches. The initial tranche of \$17,510,000 was approved and net proceeds of \$16,190,944 were received on August 1, 2025, after deducting the original issue discount and professional fees.

An additional delayed draw facility of up to \$8,240,000 is available at the lenders' discretion; lenders are not obligated to fund any delayed draw, and any advance, if elected by the lenders, is subject to (i) timely delivery of a borrowing notice, (ii) the total delayed draw borrowings not exceeding the available capacity, (iii) completion of due diligence, site visits and underwriting and receipt of credit approval, and (iv) the absence of any default or event of default at the time of funding.

The loan bears interest at the greater of (i) Term SOFR plus 11% per annum and (ii) 14% per annum, payable monthly in arrears. It matures 36 months from closing, with principal amortization commencing six months after the initial funding date.

In connection with the financing and subsequent to the year end, the Company issued warrants to the lenders entitling them to acquire, in aggregate, 25,534,972 common shares (consisting of 19,559,862 as part of the first tranche and 5,974,930 as part of the second tranche) at an exercise price of \$0.01 per share, expiring in five years. The warrants are subject to customary anti-dilution and ratchet provisions and may be exercised on a cash or cashless basis.

The loan agreement requires the Company to maintain, at all times, a minimum cash balance of \$2,000,000 in one or more bank accounts that are subject to account control arrangements specified by the lenders. At the reporting date, the Company held \$2,000,000 as cash in trust to satisfy this covenant. This amount is shown as restricted cash on the statement of financial position and is not available for general corporate purposes because its use would cause a breach of the covenant.

**3. OVERVIEW AND SIGNIFICANT EVENTS (CONT'D)**

(g) Senior secured loan (cont'd)

No portion of the required minimum balance was held in Bitcoin at the reporting date. The requirement to maintain this balance will continue for so long as the loan remains outstanding or until the covenant is amended or waived.

The loan is secured by a pledge of the \$2,000,000 cash minimum in a lender controlled deposit account, account control agreements over specified deposit accounts, a blanket first priority lien on substantially all assets of the Company and certain subsidiaries, first priority pledges of 100 percent of the equity interests in Exanorth AS and Zetanorth AS, first priority fixed charges over Exanorth AS assets including a mortgage over real estate in Namsskogan, Norway, and a mortgage over North Dakota real estate owned by Bitzero ND I, LLC.

**4. SUBSEQUENT EVENTS**

(a) Private placements

In October 2025, the Company closed brokered private placements totaling 2,937,500 units for gross proceeds of \$1,175,000.

Each unit comprises one convertible debenture and one common share purchase warrant. The convertible debentures bear interest at 15 percent per annum from issuance to the earlier of holder-elected conversion or three years from the date of issuance and are convertible into one common share at \$0.40 per share. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.50 per share for two years from the date of issuance.

Between August and October 2025, the Company closed a brokered private placement totaling 3,750,000 units for gross proceeds of \$1,500,000. Each unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.40 per share for 2 years from the date of issuance.

(b) Issuance of RSUs

In October 2025, the Company granted 1,000,000 RSUs at a stated price of \$0.40 per unit, with each unit being convertible into one common share upon exercise by the holder. The RSUs vested upon completion of the reverse takeover of the Company.

(c) Issuance of convertible debt

In October 2025, the Company issued convertible debentures for gross proceeds totaling \$2,853,990. The convertible debenture entitles the holder to interest at 10% per annum on the subscribed amount from the date of its issuance to the earlier of: (i) its conversion at the sole discretion of the holder, or (ii) 18 months after its issue date. Each convertible debenture converts at \$0.40 per common share of the Company.

(d) Contingent consideration

Subsequent to the reporting date, there have been no changes to status of the settlement with a shareholder. The contingent consideration remains outstanding, the SPA has not been executed, the kr 2,000,000 (\$190,335) cash payment has not been made, and the transfer of KlimaCloud shares has not occurred.

**4. SUBSEQUENT EVENTS (CONT'D)**

(e) Settlement of claims

Subsequent to period end, on October 29, 2025, Bitzero entered into a settlement agreement resolving the construction lien dispute filed on May 14, 2025 in North Dakota. Under the settlement, Bitzero is obligated to pay \$110,000, which represents full and final settlement of the claim.

(f) Senior secured loan – subsequent draw

Subsequent to the year end, the Company drew the second tranche under the senior secured loan and guaranty agreement entered into in June 2025. The Company received gross proceeds of \$8,245,000 (the delayed draw facility), less applicable original issue discount and fees, in accordance with the loan agreement terms.

(g) Go-public transaction

In November 2025, Bitzero completed a go-public transaction in Canada structured as a triangular amalgamation under the Business Corporations Act (British Columbia) with WBM Capital Corp. ("WBM") and its wholly owned subsidiary, 1555476 B.C. Ltd ("Subco"), pursuant to an amalgamation agreement dated November 3, 2025. Under the Amalgamation Agreement, Bitzero amalgamated with 1555476 B.C. Ltd. to form a new corporation that became a wholly owned subsidiary of WBM.

All issued and outstanding Bitzero common and non-voting shares were exchanged for fully-paid and non-assessable WBM common and non-voting shares on the basis of ten Bitzero shares for one WBM share. Outstanding Bitzero options, RSUs and warrants were adjusted to provide rights to acquire WBM common shares in accordance with their terms.

As control of the combined entity resides with the former owners of Bitzero, the transaction is accounted for as a reverse acquisition with Bitzero as the accounting acquirer and WBM as the accounting acquiree. The transaction will be accounted for in accordance with IFRS 2, with any excess of the fair value of the deemed consideration over the fair value of WBM's identifiable net assets recognized as a listing expense in profit or loss in the period of closing.

On November 24, 2025, Bitzero's common shares began trading on the Canadian Securities Exchange under the ticker "BITZ.U".

**5. PRESENTATION OF FINANCIAL INFORMATION AND NON-IFRS MEASURES**

(a) Presentation of financial information

Unless otherwise specified herein, financial results, including historical comparatives, contained in this MD&A are based on the Company's Annual Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations Committee ("IFRIC"). Unless otherwise specified, amounts are in thousands of United States dollars and percentage changes are calculated using whole numbers.

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**5. PRESENTATION OF FINANCIAL INFORMATION AND NON-IFRS MEASURES (CONT'D)**

(b) Non-IFRS measures

In addition to the reported IFRS measures, industry practice is to evaluate entities giving consideration to certain non-IFRS performance measures, such as earnings before interest, taxes, depreciation and amortization ("EBITDA") or adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA").

These measures are not in accordance with IFRS and have no standardized definitions, and as such, our computations of these non-IFRS measures may not be comparable to measures by other reporting issuers. In addition, Company's method of calculating non-IFRS measures may differ from other reporting issuers, and accordingly, may not be comparable.

A reconciliation of EBITDA and Adjusted EBITDA to IFRS net income is presented below.

*Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")*

EBITDA is used as an alternative to net income because it includes major non-cash items such as interest, taxes and amortization, which management considers non-operating in nature. A reconciliation of EBITDA to IFRS net income is presented under the section **Results from Operations** of this MD&A.

*Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")*

Adjusted EBITDA is used as an alternative to net income because it excludes major non-cash items such as amortization, stock-based compensation, current and deferred income tax expenses and other items management considers non-operating in nature. A reconciliation of adjusted EBITDA to IFRS net income is presented under section **Results from Operations** of this MD&A.

EBITDA and Adjusted EBITDA are used by management as inputs in our internal metrics and in evaluating our ability to satisfy the Company's obligations. EBITDA and Adjusted EBITDA are used as alternatives to IFRS net income (loss) because it excludes major non-cash items (including depreciation and amortization, interest, taxes and share-based payments) and other items that management considers non-operating in nature.

Management believes that these measures are helpful to investors because they are widely recognized measures of Company's performance and provides a relevant basis of comparison to other entities. In addition to IFRS results, these measures are also used internally to measure the operating performance of the Company.

(c) New and revised IFRS accounting standards in issue but not yet effective

At the date of authorization of these consolidated financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective for the Company's consolidated financial statements for the periods presented:

*IFRS 18: Presentation and Disclosure in Financial Statements*

IFRS 18 is a comprehensive new standard on presentation and disclosure that will modify the structure and content of the primary consolidated financial statements and related notes. It is expected to affect presentation and disaggregation, including new defined subtotals in the statement of profit or loss.

**5. PRESENTATION OF FINANCIAL INFORMATION AND NON-IFRS MEASURES (CONT'D)**

(c) New and revised IFRS accounting standards in issue but not yet effective (cont'd)

*IFRS 18: Presentation and Disclosure in Financial Statements (cont'd)*

Application for IFRS 18 is required for annual reporting periods beginning on or after January 1, 2027. The Company does not intend to early apply IFRS 18 and plans to apply it starting on October 1, 2027.

The Company is in the process of reviewing the impact of IFRS 18 on its consolidated financial statements in future periods.

**6. CRITICAL JUDGMENTS AND ESTIMATION UNCERTAINTY**

In applying the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, including those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors.

The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities.

Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(b) Digital assets

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the mining of digital assets and subsequent measurement of the digital assets held. Management has exercised significant judgment in determining appropriate accounting treatment. Management has determined that revenues should be recognized as the fair value of digital assets received in exchange for mining services on the date that digital assets are received and subsequently measured as an intangible asset. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings.

**6. CRITICAL JUDGMENTS AND ESTIMATION UNCERTAINTY (CONT'D)**

(c) Revenues from mining of digital assets

The Company enters into contracts with mining pools and has undertaken the performance obligation of providing computing power to the mining pool in exchange for non-cash consideration in the form of digital assets. Revenue is recognized upon receipt of digital currency in exchange for its mining activities at the fair market value of the digital currency received.

Management considers the prices quoted on a digital currency exchange to be a level 2 input under IFRS 13 Fair Value Measurement. Any difference between the fair value of digital assets recorded upon receipt from mining activities and the actual realized price upon disposal are recorded as a gain or loss on disposition of digital assets.

(d) Going concern

The Company has made significant judgments about the Company's ability to continue as a going concern. These judgments involve considering the Company's cash flow forecasts, financial position, market conditions, and the availability of financing. Given the volatile nature of the cryptocurrency market and the reliance on both mining and hosting revenues, management regularly assesses the Company's liquidity and capital resources to ensure it can meet its obligations as they fall due. If future cash flows were to differ significantly from those estimates, this could have a material impact on the Company's ability to continue as a going concern.

(e) Valuation of right of use assets and liabilities

The valuation of right-of-use (ROU) assets and corresponding lease liabilities involves significant estimates, particularly in determining the lease term and the discount rate used to present value future lease payments.

Management's judgment is required in evaluating whether options to extend or terminate leases are reasonably certain to be exercised, which affects the measurement of lease liabilities.

Additionally, in the absence of an implicit rate in the lease, the Company uses its incremental borrowing rate, which is determined based on the specific circumstances of the lease and the Company's credit risk. Changes in these estimates could significantly impact the carrying amount of ROU assets and lease liabilities.

(f) Valuation of share-based expenses

The valuation of share-based expenses requires significant judgment and estimation, particularly in determining the fair value of equity instruments granted to employees and directors. The Company uses an appropriate valuation model, such as the Black-Scholes or binomial option pricing model, which requires inputs such as the expected volatility of the Company's share price, the expected life of the options, risk-free interest rates, and expected dividend yields. These inputs are subject to estimation uncertainty, and changes in any of these assumptions could have a material impact on the amount of share-based expenses recognized.

(g) Impairment of non-financial assets

The Company assesses non-financial assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining whether an impairment has occurred requires management to estimate the recoverable amount of the assets, which is the higher of fair value less costs of disposal and value in use.

**6. CRITICAL JUDGMENTS AND ESTIMATION UNCERTAINTY (CONT'D)**

(g) Impairment of non-financial assets (cont'd)

These calculations require significant judgment, particularly in estimating future cash flows, discount rates, and market conditions. Any changes in these estimates could result in material adjustments to the carrying amounts of non-financial assets.

(h) Depreciation and useful lives of property, plant and equipment

Determining depreciation periods and residual values for property, plant and equipment requires judgment. Management assesses expected physical wear and tear, technical and commercial obsolescence, maintenance programs, and industry practice. Residual values are estimated with reference to comparable secondary-market transactions and scrap values, where relevant. These estimates are reviewed at each reporting date.

A change of one year in average useful life or a 5 % swing in estimated residual value is considered to have a materially affect on depreciation expense in a period under evaluation.

(i) Expected credit losses and provisions

The Company estimates expected credit losses by applying professional judgement in assessing forward-looking information, including the probability of default, loss rates, and the status of customer relationships. Changes in these assumptions could materially affect the amounts recognized.

Provisions are recognized when obligations from past events are probable and can be reliably measured. The measurement of provisions requires judgement in estimating the timing and amount of future outflows and, where relevant, the selection of discount rates. Given the inherent uncertainty, actual outflows may differ from the Company's best estimate.

**7. SELECTED FINANCIAL INFORMATION**

(a) Select annual information from the statements of profit or loss

The following table provides selected financial information from the statement of loss and comprehensive loss of the Company for the years ended September 30, 2025 and 2024:

	2025	2024
Revenue from digital assets mined	24,895,690	15,607,000
Revenue from hosting services	-	7,004,281
Direct costs	(25,189,175)	(24,387,670)
Operating expenses	(8,890,677)	(3,382,638)
Operating loss before other items	(9,184,162)	(5,159,027)
Other items	(9,789,381)	(8,611,223)
Total comprehensive loss	(18,973,543)	(13,770,250)

(i) *Revenue from digital assets mined*

For the year ended September 30, 2025, the Company generated revenue of \$24.9 million from digital assets mined, compared to \$15.6 million in the prior fiscal year, representing an increase of approximately 60% year-over-year.

**7. SELECTED FINANCIAL INFORMATION (CONT'D)**

(a) Select annual information from the statements of profit or loss (cont'd)

(i) *Revenue from digital assets mined (cont'd)*

The increase in revenue was driven primarily the cessation of hosting services with mining assets previously deployed for hosting being used to generate mining revenue. Additionally, higher average Bitcoin prices, as well as by improved operational capacity and uptime at the Company's Norwegian mining facility contributed to this growth. The additional revenues reflect a revised focus on self-mining, increased scale of operations and more efficient deployment of mining equipment relative to the prior year.

Revenue from digital asset mining is recognized at the fair value of the cryptocurrency received on the date of mining. The Company's mining revenues remain inherently volatile, being influenced by network difficulty adjustments, global Bitcoin pricing, and transaction fee dynamics. While revenues nearly doubled in the current year, profitability from mining operations was constrained by the continued pressure of high energy and depreciation costs, resulting in negative gross margins.

The year-over-year increase highlights the Company's reliance on Bitcoin economics and network conditions. During fiscal 2025, network difficulty rose materially, reducing the number of Bitcoin mined per unit of hash rate, though this effect was partially offset by favorable price conditions at year-end. The Company benefitted from continuous optimization of its mining fleet, including replacement of older-generation units with more efficient application-specific integrated circuit miners, which improved energy efficiency.

Management anticipates that future mining revenues will remain directly tied to prevailing Bitcoin market prices and industry-wide network difficulty. The upcoming Bitcoin halving event, expected in 2028, will reduce block rewards by 50%, potentially putting additional pressure on mining economics. This underscores the importance of ongoing efficiency gains, cost reduction strategies, and prudent capital allocation in order to sustain competitive mining operations.

(ii) *Revenue from hosting and maintenance services*

Hosting revenue declined to nil for the year ended September 30, 2025, compared to \$7.0 million for the year ended September 30, 2024, as hosting arrangements were wound down and settled. During the year the Company cancelled related leases and entered into a settlement with a former hosting customer, consistent with the absence of hosting revenue in this past fiscal year.

(iii) *Direct costs*

Direct costs for the year ended September 30, 2025 were \$25.2 million, compared to \$24.4 million for the year ended September 30, 2024, representing an increase of approximately 3% year-over-year. Direct costs consist primarily of electricity costs, depreciation of mining equipment, labor and contractor fees, and facility operating expenses related to both mining and hosting operations.

The slight increase year-over-year reflects higher electricity usage and facility costs associated with expanded mining activities, together with depreciation charges arising from the Company's significant investment in mining hardware and infrastructure. While certain efficiency initiatives reduced average power consumption per unit of hash rate, overall power requirements increased as operations scaled.

**7. SELECTED FINANCIAL INFORMATION (CONT'D)**

(a) Select annual information from the statements of profit or loss (cont'd)

(iii) *Direct costs (cont'd)*

As a result, the Company incurred gross losses of \$293.5 thousand in fiscal 2025 and \$1.8 million in fiscal 2024, reflecting a significant narrowing of the gross loss year-over-year. The Company's gross margin remains particularly sensitive to electricity prices, which represent the largest single component of direct costs. Management has implemented a cost optimization strategy that includes negotiating long-term energy supply contracts, investing in newer-generation ASIC miners, and pursuing infrastructure upgrades designed to reduce power intensity.

Management expects direct costs to remain elevated in the near term as the Company continues to operate at scale and invests in next-generation mining technology. Following the April 2024 Bitcoin halving event, industry profitability has faced increased pressure due to the reduced block subsidy, emphasizing the importance of securing low-cost energy and maintaining efficient facility operations. Management remains focused on identifying opportunities for further efficiency gains and leveraging hosting revenues to offset fixed operating costs.

(iv) *Operating expenses*

Operating expenses, comprising administrative expenses, marketing expenses, and finance costs, totaled \$8.9 million for the year ended September 30, 2025, compared to \$3.4 million in fiscal 2024, representing an increase of approximately 163% year-over-year.

Administrative expenses increased to \$5.3 million in fiscal 2025 from \$2.8 million in fiscal 2024. The increase reflects higher legal and consulting fees due to key restructuring and strategic initiatives undertaken in the current year, including measures related to the planned go-public transaction described in **Note 4(f)**. Additionally, occupancy costs increased due to additional repairs and maintenance fees associated with the expansion of mining activities. Administrative expenses are expected to revert to a lower, more sustainable level following the current-year initiatives.

Finance costs increased substantially to \$1.8 million in fiscal 2025 compared to \$526 thousand in fiscal 2024. The increase primarily reflects interest on the senior secured loan described in **Note 3(g)**. This was partially offset by a decrease in accrual on lease liabilities, as the Company settled certain lease arrangements. Finance costs are expected to remain a recurring expense until the Company refinances or repays its outstanding obligations.

Marketing expenses increased substantially to \$1.8 million in fiscal 2025 from \$46 thousand in fiscal 2024. The increase was due to targeted efforts to promote the Company prior to its planned go-public transaction and position the brand within the global cryptocurrency mining ecosystem.

Marketing costs are expected to decline to historical levels in the short term, before growing gradually in line with the Company's business development activities and expansion plans.

The overall increase in operating expenses primarily reflects additional costs incurred in connection with the Company's go-public and debt transactions, as well as other one-time activities. Management continues to emphasize financial discipline and efficiency while undertaking these initiatives and expanding its revenue base. While administrative and marketing expenses are expected to normalize to a lower, more sustainable level, finance costs will continue to reflect the Company's capital structure.

**7. SELECTED FINANCIAL INFORMATION (CONT'D)**

(a) Select annual information from the statements of profit or loss (cont'd)

(v) *Other expenses*

Other expenses for the year ended September 30, 2025 totaled \$7.4 million, compared to \$6.1 million in fiscal 2024, representing an increase of 20% year-over-year. These items consist primarily of non-operating or non-cash charges, and therefore can vary significantly from period to period depending on share-based compensation activity, foreign exchange movements, credit loss assessments, and investment revaluations.

The largest component of other expenses in fiscal 2025 was share-based compensation, which increased to \$10.2 million, compared to \$4.8 million in fiscal 2024. The increase was driven by the issuance of new equity-based incentive awards to officers, directors, and employees, designed to align management and staff with long-term shareholder interests and to retain key talent within the highly competitive digital asset industry. The recognition of these costs is non-cash in nature but nevertheless represents a meaningful component of the Company's reported loss for the year.

The Company recorded a foreign exchange gain of approximately \$113 thousand in fiscal 2025, compared to a gain of \$59 thousand in fiscal 2024. This change reflects the impact of exchange rate movements on monetary balances held across functional currencies. Given the international nature of operations, foreign exchange impacts are expected to remain a recurring, though unpredictable, element of results.

The Company recognized a change in provision for uncollectible receivables of \$613 thousand in fiscal 2025, reflecting updated credit loss assessments. The cessation of hosting arrangements in 2025 mitigates the risk of future credit losses going forward.

Partially offsetting these costs, the Company recorded a realized gain on the sale of digital currency of \$1.6 million in fiscal 2025, compared to \$30 thousand in fiscal 2024, reflecting dispositions of Bitcoin during the year. The increase reflects the increased market price of Bitcoin and disposition of Bitcoin held as at the prior year's reporting date.

Additionally, the Company recorded a net gain on contract settlements of \$1.7 million related to leased asset agreements, comprising a \$1.9 million gain associated with a settlement reached with a hosting customer, partially offset by a \$113 thousand loss on the cancellation of two separate lease arrangements and a \$45 thousand loss from remeasuring the settlement receivable based on the revised repayment schedule with the same hosting customer.

In March 2025, Exanorth entered into a settlement with another customer. Under this agreement, an amount of \$3 million corresponding to the invoiced amounts excluding VAT, was written off as a provision for settlement. As part of the terms of settlement, the Company received equipment having value of \$678 thousand. In 2025, the Company recorded a gain on contract settlement of \$1.9 million related to the settlement of a lease liability with this customer.

Taken together, the significant swing in other expenses between the two fiscal years was almost entirely attributable to the increase in share-based compensation expense and settlement provisions. These expenses, while non-cash, reflect management's continued use of equity incentives as a tool to attract and retain qualified individuals. By contrast, the absence of impairment charges and minimal investment revaluations limited the variability of other categories.

**7. SELECTED FINANCIAL INFORMATION (CONT'D)**

(a) Select annual information from the statements of profit or loss (cont'd)

Management expects that share-based compensation will remain a recurring but variable expense tied to employee retention programs, while settlements losses, provisions for settlements, foreign exchange, fair value adjustments, and asset disposals will fluctuate in line with operating conditions and market factors outside of management's control.

(b) Select annual information from the statements financial position

The following table provides selected financial information from the statement of financial position of the Company for the years ended September 30, 2025 and 2024:

	2025	2024
Current assets	7,215,817	5,160,556
Non-current assets	35,524,901	24,690,096
<b>Total assets</b>	<b>42,740,718</b>	<b>29,850,652</b>
Current liabilities	13,566,493	12,865,723
Non-current liabilities	16,323,514	3,159,899
Equity	12,850,711	13,825,030
<b>Total liabilities and equity</b>	<b>42,740,718</b>	<b>29,850,652</b>

(i) *Current assets*

As at September 30, 2025, the Company's current assets totaled \$7.2 million, compared to \$5.2 million at September 30, 2024, representing an increase of approximately 40% year-over-year. The year-over-year growth was driven by a significant increase in cash and cash equivalents and cash held in trust.

Digital currency holdings decreased to \$753 thousand at September 30, 2025, from \$2.5 million in the prior year. This decrease reflects the change in the level of Bitcoin mined but not liquidated as at the reporting date, including conversions to cash made during the year.

Accounts receivable decreased to \$380 thousand at year-end, down from \$1.5 million in the prior year. This decrease is consistent with the collection and settlement of prior-year receivables, primarily associated with hosting customer balances in the prior year.

Prepays and deposits remained relatively stable at \$72 thousand in fiscal 2025, compared with \$71 thousand in fiscal 2024. These balances consist primarily of prepayments for power and facility costs, insurance, and deposits required to support data center operations.

Indirect taxes recoverable increased to \$535 thousand from \$402 thousand, reflecting higher VAT and sales tax credits recoverable in Norway due to the expanded level of mining activities undertaken during the year.

Finally, cash and cash equivalents and cash held in trust increased to \$5.5 million at September 30, 2025, from \$687 thousand at September 30, 2024. The increase reflects the proceeds from additional equity and debt financing during the year, and a higher level of Bitcoin converted to cash as at the reporting date.

**7. SELECTED FINANCIAL INFORMATION (CONT'D)**

(b) Select annual information from the statements financial position

(i) *Current assets (cont'd)*

Taken together, the overall increase in current assets reflects both financing-related activity and operational growth, as evidenced by the higher balance of digital assets, cash and cash equivalents, and cash held in trust on hand.

These additions enhance the liquidity position of the Company, as the composition of current assets has shifted toward stable cash balances and from categories exposed to market volatility and collection risk, such as accounts receivable and digital currencies. Management continues to monitor both the timely collection of receivables and the valuation of digital assets to ensure that the Company maintains sufficient liquidity to support its ongoing operations.

(ii) *Non-current assets*

As at September 30, 2025, the Company's non-current assets totaled \$35.5 million, compared to \$24.7 million at September 30, 2024, representing an increase of approximately 44% year-over-year. The increase was primarily attributable to new capital investment in mining equipment and related infrastructure, partially offset by depreciation of existing capital assets.

The largest category of non-current assets remains property, plant and equipment, which increased to \$28.6 million at September 30, 2025, from \$17.1 million in the prior year. The increase reflects an increased investment in mining equipment and related infrastructure, including transfers from construction in progress and assets received under the settlement agreement with a hosting customer. This increase was partially offset by the depreciation expenses recorded during the year, as the Company continues to recognize the consumption of economic benefits from its mining servers and supporting infrastructure.

The magnitude of property, plant and equipment underscores the capital-intensive nature of the business and management continues to pursue replacement and upgrade programs designed to maintain competitiveness in terms of energy efficiency and hash rate capacity.

The balance of construction in progress decreased to \$3.4 million at September 30, 2025, compared to \$5.1 million in fiscal 2024. This decrease reflects the completion and deployment mining equipment and related infrastructure, as completed assets were transferred into property, plant and equipment. These capital expenditures represent management's ongoing commitment to positioning the Company for long-term growth, as well as the Company's ability to successfully complete and deploy ongoing projects. The Company anticipates that a portion of this balance will be transferred to property, plant and equipment in fiscal 2026 as assets are placed into service.

The carrying value of right-of-use assets declined sharply to nil from \$0.9 million in the prior year. The reduction is the result of the lease cancellations and amortization, including the transfers to owned-assets where applicable. These assets primarily relate to long-term leases of data center facilities, and the decline reflects the ongoing recognition of right-of-use depreciation and reclassification of the underlying assets rather than any reduction in operational capacity.

Restricted cash increased to \$2 million at September 30, 2025 up from nil in fiscal 2024. The increase reflects the cash minimum held in a lender controlled deposit account, as described in **Note 3(g)**.

**7. SELECTED FINANCIAL INFORMATION (CONT'D)**

(b) Select annual information from the statements financial position (cont'd)

(ii) *Non-current assets (cont'd)*

Taken together, the year-over-year movement in non-current assets highlights the Company's ongoing reinvestment and asset build-up, while balancing the depreciation of existing assets and reinvestment in new infrastructure. The increase in property, plant and equipment illustrates management's continued emphasis on maintaining and upgrading mining infrastructure, while the decline in construction in progress demonstrates management's ability to successfully deploy ongoing investment projects. The reduction in right-of-use assets reflects the accounting recognition of lease obligations and shift away from hosting revenues, rather than a strategic change in approach.

Management expects that non-current assets will remain a significant portion of the Company's total balance sheet and that periodic reinvestment in new mining technology and facility infrastructure will be required in order to maintain competitiveness.

(iii) *Current liabilities*

As at September 30, 2025, the Company's current liabilities totaled \$13.6 million, compared to \$12.9 million at September 30, 2024, representing an increase of approximately 5.4% year-over-year. The growth in current obligations primarily reflects new financing recognized as loans payable, as well as higher trade payables, accrued interest, related party payables, settlement liabilities, while being partially offset by the derecognition of lease liabilities. Together, the increase underscores the expansion of the Company's operations and the financing structure supporting them.

The current portion of loans payable was \$1.6 million at September 30, 2025, compared to nil in the prior year, reflecting financing obtained during the year to support growth in operations and investment in mining infrastructure. The increase highlights management's continued commitment to securing financing to maintain liquidity and fund growth initiatives in a capital-intensive sector. Management expects repayment to be aligned with the underlying financing structure and operating cash flows, as described in **Note 3(e)**, and continues to monitor covenant compliance to maintain financial flexibility.

Accounts and other payables increased modestly to \$7.3 million at September 30, 2025, compared to \$6.9 million in the prior year. The most significant component of accounts and other payables was trade payables, which declined to \$4.8 million at year-end, compared to \$6.3 million at September 30, 2024. The decrease is reflective of the Company's ability to meet its obligations as they come due, while pursuing further growth. The decrease was offset by an increase in accrued liabilities primarily related to energy invoices, professional fees, and payroll expenses, reflecting the Company's expansion of revenue-generating activities and corresponding growth in direct and administrative costs.

Lease liabilities, current portion, decreased sharply to nil at September 30, 2025, from \$2.0 million at September 30, 2024, reflecting the cancellation of lease liabilities during the year. This decrease demonstrates the Company's decreased reliance on leased capacity as part of its operational footprint.

Contingent consideration payable remained unchanged at \$1.8 million compared to fiscal 2024. This balance represents obligations arising from historical acquisition activity, payable upon the satisfaction of certain performance conditions or other contingencies. Management continues to monitor these obligations closely, though no changes were recognized during the current year.

**7. SELECTED FINANCIAL INFORMATION (CONT'D)**

(b) Select annual information from the statements financial position (cont'd)

(iii) *Current liabilities (cont'd)*

Settlement liabilities, current portion, increased to \$1.2 million at September 30, 2025, compared to \$771 thousand at September 30, 2024, reflecting that a larger portion of the settlement became due within 12 months at year-end.

Related party advances increased to \$151 thousand at September 30, 2025, compared to \$67 thousand in the prior year. These amounts represent short-term funding support from related parties, and the increase reflects the timing of settlement of these balances.

Finally, convertible debentures, classified as current liabilities, increased to \$1.57 million at September 30, 2025 from \$1.36 million at September 30, 2024. These instruments continue to accrue interest until maturity or conversion, and their classification as current reflects their contractual terms. The increase reflects the accrual of interest on those convertible debentures, consistent with the Company's financing structure, which relies in part on debt and related party funding to support working capital requirements.

Overall, the year-over-year increase in current liabilities reflects the scaling of operations and the Company's reliance on both customer deposits and financing arrangements to fund working capital.

While the increase in accounts payable and accrued liabilities is largely a function of higher operating activity, management remains focused on settling these obligations as they come due. Liquidity is supported by current assets, including receivables and digital currency holdings, together with expected financing proceeds.

(iv) *Non-current liabilities*

As at September 30, 2025, the Company's non-current liabilities totaled \$16.3 million, a significant increase compared to \$3.2 million as at September 30, 2024. This increase was primarily driven by additional financing as described in **Note 3(g)**.

Settlement liability, non-current portion, decreased significantly to \$1.6 million at September 30, 2025, compared to \$3.0 million in the prior year, reflecting the principal payments made during the year and reclassification into the current portion as amounts became due within one year.

Loans payable, non-current portion, increased to \$14.7 million at September 30, 2025, compared to nil at September 30, 2024, representing the long-term portion of the new financing obtained during the year, as described in **Note 3(e)**.

Lease liabilities, non-current portion, decreased to nil at September 30, 2025, compared to \$122 thousand in the prior year, reflecting the cancellation of lease agreements during the year.

The movement in non-current lease liabilities is consistent with the decline in right-of-use assets noted in the non-current assets discussion, as the amortization and re-classification of leased assets is mirrored by the reduction of the associated lease liability. The reduction also underscores the fact that the Company has not entered into significant new long-term leasing arrangements during the fiscal year.

**7. SELECTED FINANCIAL INFORMATION (CONT'D)**

(b) Select annual information from the statements financial position (cont'd)

(iv) *Non-current liabilities*

Taken together, these movements indicate a management's prioritization of financial flexibility and funding to facilitate growth, as the Company continues to pursue its model of digital asset mining and the efficient deployment of mining infrastructure. Settlement-related obligations are expected to become a diminishing component of total liabilities over time as the Company continues to pay down these balances in accordance with the agreed repayment schedule. This shift supports greater operational control over the deployment of mining infrastructure and cash flow generation, while also reducing exposure to customer-specific hosting obligations and settlement risks.

(v) *Equity*

As at September 30, 2025, total equity attributable to shareholders was \$12.9 million, compared to \$13.8 million at September 30, 2024, representing a decrease of approximately 7% year-over-year. The decline in equity primarily reflects the net loss for the year, together with an increase in accumulated other comprehensive losses, largely offset by new share issuances that increased share capital.

Share capital increased to \$101 million at September 30, 2025, up from \$82.7 million in the prior year. The increase reflects equity financing completed during fiscal 2025, including the issuance of common shares under subscription agreements and the exercises of RSUs and option instruments. Capital raises provided important capital inflows to support the Company's operations and investment in mining infrastructure consistent with broader industry practice among capital-intensive cryptocurrency mining companies. The exercise and settlement of RSUs and options issued under the Company's share-based compensation programs increased share capital as awards were converted into common shares, which supports liquidity and reduces the need to cash-based compensation. Taken together, the increase in share capital is not solely indicative of external capital raising but also reflects the Company's continued reliance on equity-based incentives to attract and retain qualified personnel and align employee and shareholder interests over the long term but can contribute to dilution of existing shareholders.

The debenture reserve remained unchanged at \$55 thousand year-over-year, representing the residual equity component from previously issued convertible debentures.

Accumulated other comprehensive loss increased to \$13.5 million at September 30, 2025, compared to \$11.1 million in the prior year. The increase in the deficit reflects primarily unfavorable movements in the revaluation of digital currency balances and other comprehensive items recorded through equity rather than net income. This element of equity is inherently volatile, given its sensitivity to cryptocurrency price fluctuations and associated valuation adjustments.

Accumulated losses increased to \$81.6 million as at September 30, 2025, compared to \$65.0 million at September 30, 2024. The increase of approximately \$16 million corresponds to the net loss reported for the year, which reflects ongoing operating losses, high direct costs relative to revenues, and significant share-based compensation expense.

The accumulation of losses highlights the challenges of sustaining profitability in a capital-intensive industry subject to volatile digital asset pricing.

**7. SELECTED FINANCIAL INFORMATION (CONT'D)**

(b) Select annual information from the statements financial position (cont'd)

(v) *Equity (cont'd)*

Taken together, the year-over-year movement in equity reflects the interplay of new capital inflows through share issuances, the recognition of share-based compensation, and the persistence of operating and comprehensive losses. Although equity has declined overall, the ability of the Company to raise new capital demonstrates continued investor support. Management acknowledges that further strengthening of the equity base may be required to support future expansion and to maintain a cushion against the volatility inherent in the cryptocurrency mining sector.

(c) Digital currency operations

For the year ended September 30, 2025, revenue for digital assets mined was \$24.9 million (2024 - \$15.6 million).

The change reflects 256.76 BTC mined during the year ended September 30, 2025 as compared to 293.65 BTC mined during the comparative period, driven primarily by differences in average hashrate and network difficulty.

Average hashrate for the period was 1.30 EH/s (period-end installed hashrate 1.82 EH/s), compared with installed capacity of 0.92 EH/s across 25 containers and 10,629 miners.

Average realized price of 97,447 \$/BTC (including transaction fees) as compared to 54,310 \$/BTC in the comparative period, consistent with our policy to recognize mining revenue at the fair value of digital assets upon receipt.

Existing rigs (installed prior to the beginning of the reporting period): approximately 70% of mining revenue. New rigs (placed in service during the reporting period): approximately 30% of mining revenue.

For the year ended September 30, 2025, direct costs were \$24.9 million (2024 - \$24.4 million, respectively). Electricity and grid services: 34.45 MWh × 40.58 \$/MWh = 12,596,035 (For the comparative period: 26.87 MWh × 47.19 \$/MWh = 10,885,041). Utilities increased year-over-year, reflecting higher consumption during higher-uptime periods and network conditions.

**8. QUARTERLY RESULTS**

	December 31, 2022	For the three months ended (unaudited)		
		March 31, 2022	June 30, 2023	September 30, 2023
Revenue	1,186,136	424,478	1,297,062	9,408,300
Total comprehensive loss	7,832,041	553,831	2,838,400	2,534,802
Total assets	55,130,157	53,321,816	50,704,069	29,850,652
Total liabilities	8,855,730	7,727,148	7,659,137	9,993,673
Basic and diluted loss per share	0.03	0.00	0.01	0.01

**8. QUARTERLY RESULTS (CONT'D)**

	December 31, 2023	For the three months ended (unaudited)		
		March 31, 2024	June 30, 2024	September 30, 2024
Revenue	4,253,730	1,939,302	6,850,336	9,567,912
Total comprehensive loss	1,596,588	649,685	1,346,820	10,177,157
Total assets	46,213,966	47,641,574	58,800,331	29,850,652
Total liabilities	9,679,369	7,798,355	13,417,570	16,025,622
Basic and diluted loss per share	0.01	0.00	0.00	0.03

	December 31, 2024	For the three months ended (unaudited)		
		March 31, 2025	June 30, 2025	September 30, 2025
Revenue	4,874,872	6,240,872	6,326,175	7,453,771
Total comprehensive loss (income)	227,320	5,525,789	8,065,541	5,154,893
Total assets	32,367,188	35,723,697	29,206,650	42,740,718
Total liabilities	15,659,138	14,997,600	12,048,090	29,890,007
Basic and diluted loss per share	0.00	0.02	0.02	0.01

All quarterly financial information is unaudited.

**9. MATERIAL TRANSACTIONS**

(a) Issued and outstanding share capital

Share issuances	Shares #	Share capital \$
Balance as at September 30, 2023	309,582,563	76,931,052
June 4, 2024	7,000,000	1,160,853
September 6, 2024	1,000,000	200,000
September 11, 2024	-	-
September 12, 2024	15,379,100	3,370,541
	23,379,100	4,731,394
Balance as at September 30, 2024	332,961,663	81,662,446
September 11, 2024	12,500,000	2,500,000
September 19, 2024	1,500,000	300,000
September 24, 2024	500,000	100,000
October 02, 2024	3,000,000	657,490
October 17, 2024	1,250,000	250,000
October 21, 2024	3,500,000	700,000
November 28, 2024	265,000	53,000
December 11, 2024	2,750,000	550,000
December 16, 2024	1,500,000	300,000
February 12, 2025	10,000,000	2,000,000
February 14, 2025	22,500,000	4,500,000
February 20, 2025	500,000	100,000
April 01, 2025	1,983,602	794,335
July 03, 2025	2,000,000	400,000
July 28, 2025	63,908	38,345
July 29, 2025	28,500,000	5,700,000
August 11, 2025	544,245	217,698
August 12, 2025	252,068	100,827
August 21, 2025	225,437	90,175
	93,334,260	19,351,870
Balance as at September 30, 2025	426,295,923	101,014,316

**9. MATERIAL TRANSACTIONS (CONT'D)**

(a) Issued and outstanding share capital (cont'd)

During the year ended September 30, 2025, the Company issued 93,334,260 new shares (2024 – 23,379,100), increasing its share capital by \$19,351,870 (2024 - \$4,731,394).

Details regarding the 2025 shares issuances are as follows:

	Shares #	Price \$	Proceeds \$	Share capital \$
Subscriptions	36,536,750	0.21	7,511,700	7,511,700
Exercise of RSUs	54,000,000	0.20	n/a	10,857,490
Advisory shares	750,000	0.20	n/a	150,000
Exercise of options	1,983,602	0.05	99,179	794,335
Legal settlement	63,908	n/a	n/a	38,345
	93,334,260		7,610,879	19,351,870

(b) Options

The Company has a stock option plan (the "Stock Option Plan") under which the Board of Directors may grant to directors, officers, employees and technical consultants to the Company non-transferable options to purchase common shares, exercisable for periods of 3 to 5 years from the date of the grant.

A summary of the stock options is as follows:

	Number #	Weighted- average exercise price \$	Amount \$
Balance, September 30, 2023	31,558,255	0.28	5,433,466
Granted, July 7, 2024	500,000	0.20	109,247
Cancelled	(20,994,320)	0.34	(2,638,325)
Balance, September 30, 2024	11,063,935	0.16	2,904,388
Exercised	(1,983,602)	0.05	(695,155)
Balance, September 30, 2025	9,080,333	0.19	2,209,233
Exercisable	8,580,333	0.19	2,000,806

2025 Vesting Conditions	Options outstanding #	Weighted- average exercise price \$	Weighted- average remaining life \$
Immediately	5,530,333	0.27	1.47
1/3 per year from grant date	3,050,000	0.05	0.85
Subsidiary reaches revenue of EUR 4 million	500,000	0.20	3.94
Outstanding, September 30, 2025	9,080,333	0.19	1.40
Exercisable, September 30, 2025	8,580,333	0.19	1.25

During the 2025 period, 1,983,602 stock options were exercised, for gross proceeds of \$99,180, increasing share capital by \$794,335.

**9. MATERIAL TRANSACTIONS (CONT’D)**

(c) Restricted stock units

The 2022 Restricted Share Unit Plan (the “RSU Plan”) allows the Company to award restricted share units to officers, employees, directors and consultants of the Company upon such conditions as the Board may establish, including the attainment of performance goals recommended by the Company’s compensation committee.

The purchase price for common shares of the Company issuable under each Restricted Share Unit (“RSU”) award, if any, shall be established by the Board at its discretion. Common shares issued pursuant to any RSU award may be made subject to vesting conditions based upon the satisfaction of service requirements, conditions, restrictions, time periods or performance goals established by the Board.

The RSUs are recognized as share-based compensation expense over the vesting period which is the lesser of: (i) the occurrence of one of the pre-defined liquidity events in the RSU notice, and (ii) 5 years after the grant date.

A continuity of RSUs is as follows:

	RSUs Granted #	RSUs Vested #	Amount \$
September 30, 2023	7,000,000	7,000,000	6,432,493
Issued	49,975,200	-	10,941,233
Vested	-	27,950,333	-
Exercised	(22,379,100)	(22,379,100)	(4,531,394)
September 30, 2024	34,596,100	12,571,233	12,842,332
Issued	67,880,000	-	15,270,160
Vested	-	51,000,000	-
Exercised	(54,000,000)	(54,000,000)	(10,857,491)
September 30, 2025	48,476,100	9,571,233	17,255,001

During the year ended September 30, 2025, share-based compensation expense for the Company’s RSUs was \$10,200,000 (2024 - \$4,531,394). The fair value of each share-based payment transaction was estimated on the date of the grant, based on the present value of the underlying equity, with the following weighted-average assumptions:

	Apr 30, 2024	Jun 3, 2024	Jan 31, 2025
Estimated stock price at time of grant	\$ 0.26	\$ 0.26	\$ 0.20
Number of periods to exercise, in years	5.00	5.00	0.67
Compounded risk-free rate	3.92%	3.59%	2.69%
Dividend yield	0.00%	0.00%	0.00%
Exercise price	\$ -	\$ -	-
Volatility	115%	115%	115%
Discount for lack of marketability	16.00%	16.00%	12.17%

**9. MATERIAL TRANSACTIONS (CONT'D)**

(c) Restricted stock units

	Feb 10, 2025	Jun 29, 2025	Sep 9, 2025
Estimated stock price at time of grant	\$ 0.20	\$ 0.20	\$ 0.40
Number of periods to exercise, in years	-	-	-
Compounded risk-free rate	n/a	n/a	n/a
Dividend yield	0.00%	0.00%	0.00%
Exercise price	\$ -	\$ -	\$ -
Volatility	115%	115%	115%
Discount for lack of marketability	0.00%	0.00%	0.00%

As at September 30, 2025 a total of 9,571,233 (2024 – 12,842,332) RSUs had vested.

For details of related party transactions, see **Note 13**.

**10. RECONCILIATION OF EBITDA**

The following table outlines the reconciliations of adjusted EBITDA and adjusted EBITDA margin to its nearest IFRS measure:

	2025	2024
Net loss	(16,548,342)	(11,278,649)
Interest expenses	1,754,914	523,970
Interest income	(5,645)	(9,584)
Income taxes	-	-
Depreciation	11,470,759	11,602,852
<b>EBITDA</b>	<b>(3,328,314)</b>	<b>838,589</b>
Stock-based compensation	10,200,000	4,879,221
Foreign exchange gain	(113,023)	(58,633)
<b>Adjusted EBITDA</b>	<b>6,758,663</b>	<b>5,659,177</b>
Revenue	24,895,690	22,611,281
Adjusted EBITDA	6,758,663	5,659,177
<b>Adjusted EBITDA margin</b>	<b>27%</b>	<b>25%</b>

Adjustments to EBITDA are described in detail in the notes to the financial statements.

**11. LIQUIDITY AND CAPITAL RESOURCES**

(a) Liquidity

As at September 30, 2025, the Company held cash of \$5.5 million, compared to \$0.7 million as at September 30, 2024. In addition, the Company maintained digital assets valued at \$0.8 million (September 30, 2024 – \$2.5 million), which may serve as a supplemental source of liquidity depending on prevailing market conditions. The Company's working capital deficit as at year-end was \$6.4 million (September 30, 2024 – \$7.7 million), reflecting increased current liabilities.

**11. LIQUIDITY AND CAPITAL RESOURCES (CONT'D)**

(a) Liquidity (cont'd)

The Company's ability to generate sufficient liquidity in the near term remains dependent on (i) ongoing revenues from digital assets mined, (ii) collections from customer contracts, and (iii) prudent cost management. While operations generated revenues of \$24.9 million during the year (2024 – \$22.6 million), these revenues were offset by direct costs of \$25.2 million (2024 – \$24.4 million), resulting in continued negative gross margins. Despite this continued pressure on gross margins, the Company generated positive cash flows in 2025, largely driven by the proceeds on sale of digital assets and financing inflows from debt and equity issuances, which funded liquidity during the year.

Management monitors liquidity risk by preparing regular cash flow forecasts and assessing its ability to meet obligations as they come due. The Company has historically relied upon a combination of operating cash flows, equity financings and strategic arrangements to support its capital requirements, and expects that such financing sources will continue to be necessary until operations achieve sustained profitability.

The Company's current liabilities increased to \$13.6 million as at September 30, 2025, compared to \$12.9 million as at September 30, 2024, driven primarily by the recognition of loans payable classified as current liabilities, together with moderately higher accounts and other payables and the reclassification of portions of existing obligations as they became due within twelve months. The Company expects these obligations to be managed and settled through a combination of cash on hand from financing initiatives, operating cash flows generated from digital asset mining, collections of outstanding receivables, and prudent cost management, while continuing to monitor covenant compliance and liquidity requirements.

There are inherent risks associated with the Company's liquidity position, including volatility in digital asset prices, reliance on stable electricity costs, and the availability of external capital.

Management believes the Company has adequate resources to fund its short-term obligations but acknowledges that future growth will require access to additional financing.

(b) Contractual obligations

The Company is party to various contractual obligations, including loans payable, settlement liabilities, convertible debentures, and lease liabilities. As at September 30, 2025, loans payable amounted to \$16,236,880, of which \$1,554,867 is classified as current. Convertible debentures of \$1.6 million are outstanding and classified as a current liability, which is inclusive of the interest accretion on this debt. The Company continues to service these obligations through available cash resources and ongoing capital management efforts.

(c) Capital resources

The Company's capital resources primarily consist of shareholders' equity, which totaled \$12.9 million at September 30, 2025, compared to \$13.8 million in the prior year. The decrease was attributable to the net loss for the period and other comprehensive losses. The Company's share capital increased to \$101.0 million (2024 – \$81.7 million) as a result of equity issuances during the year, which provided important financing for operations. Management defines its capital structure as shareholders' equity, debt instruments (including loans payable, convertible debentures and lease liabilities), and other financing arrangements. The Company's objective is to preserve a flexible capital structure that allows it to respond to changing economic and industry conditions, while minimizing the overall cost of capital.

**11. LIQUIDITY AND CAPITAL RESOURCES (CONT'D)**

(c) Capital resources (cont'd)

As of the reporting date, the Company has no significant capital expenditure commitments beyond those disclosed in the financial statements; however, expenditures are expected to be required in future periods to maintain and expand the Company's mining and hosting infrastructure. Such commitments are anticipated to be funded through a combination of operating revenues, equity financings, and potential strategic partnerships.

Known trends that may affect the Company's capital resources include volatility in digital asset markets, regulatory developments affecting cryptocurrency mining and hosting services, and the Company's ability to access capital markets on favorable terms. Management continues to evaluate financing alternatives to ensure that sufficient resources are available to support both near-term liquidity needs and longer-term strategic growth initiatives.

(d) Digital currency

The Company holds Bitcoin primarily to support working capital needs. In managing liquidity risk, management targets maintaining cash and cash equivalents in excess of expected cash outflows over the next sixty days. When forecasts indicate a shortfall against this target, the Company disposes of Bitcoin to bridge the gap. Disposals are sized using weekly cash flow forecasts that consider near-term power, payroll, lease and debt-service obligations and expected customer collections; timing is aligned to settlement dates for these obligations and market trading windows that provide sufficient depth.

The Company continues to treat Bitcoin as a supplemental source of liquidity and will adjust the timing and amount of future sales in line with forecast cash needs and prevailing market conditions. Please refer to the corresponding financial statements for a continuity schedule of Bitcoin balances and disposals, and Financial Instruments and Risk Management for the Company's 60-day liquidity risk framework.

**12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company has exposure to credit risk, liquidity risk, and market risk arising from financial instruments. Management considers credit risk and market risk to be low. The following summarizes the Company's financial instruments and associated risks.

*Risk management framework*

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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 adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)**

*Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on liabilities (other than trade payables) over the next 60 days.

The Company also monitors the level of expected cash inflows on trade and other receivables, together with the expected outflows on trade and other payables.

The Company's exposure to liquidity risk, calculated as total liabilities, is \$29,890,007 as at September 30, 2025 (2024 – \$16,025,622), for which the Company has cash of \$5,475,486 on hand to satisfy its liabilities (2024 – \$687,226). There have been no changes to the method for managing liquidity risk.

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. In order to reduce its credit risk, the Company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Company is mainly exposed to interest rate and currency risk.

*Foreign currency risk*

The Company is exposed to foreign currency risk primarily through its operations in multiple jurisdictions and transactions denominated in currencies other than its functional currency.

Foreign currency risk arises from recognized assets and liabilities, as well as future commercial transactions that are denominated in a currency different from the functional currency of the Company entities. The Company monitors its exposure to foreign currency risk on an ongoing basis and uses derivative financial instruments, such as forward exchange contracts, to hedge significant foreign currency exposures when considered appropriate and as when required. The effectiveness of these hedging instruments is assessed regularly.

However, the Company does not hedge all of its foreign currency exposures, and fluctuations in exchange rates could have a material impact on the Company's financial performance and position.

## 12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

### *Interest rate risk*

The Company's exposure to interest rate risk arises primarily from its variable-rate borrowings and lease liabilities. Changes in market interest rates can affect the Company's interest expense and the value of its financial liabilities. To manage interest rate risk, the Company may enter into interest rate swap agreements to convert variable-rate debt into fixed-rate debt, thereby reducing exposure to fluctuations in interest rates. Management regularly reviews the interest rate exposure and considers the potential impact of interest rate movements on its financial performance. However, there can be no assurance that these measures will fully mitigate the impact of interest rate fluctuations.

### *Digital currency risk*

The Company is exposed to digital currency risk due to its holdings and transactions in cryptocurrencies. Digital currency risk arises from the volatility in the market prices of cryptocurrencies, which can fluctuate significantly due to various factors, including market demand, regulatory developments, and macroeconomic trends.

The Company manages its digital currency risk by monitoring market conditions and may engage in hedging activities, such as entering into derivative contracts, to mitigate the impact of adverse price movements. However, given the inherent volatility and the relatively nascent nature of digital currency markets, there remains a significant risk that the value of the Company's digital assets could experience substantial fluctuations, which could materially affect the Company's financial performance and position.

### *Custody risk*

The Company mines digital assets through a pool and transfers rewards from the pool to Company-controlled private wallets on a daily basis, and safeguards these holdings through a tiered wallet structure. Transactions are subject to segregation of duties and role-based approvals. Private keys are generated in controlled environments with encrypted, geographically separated backups and periodically refreshed. The Company does not use a third-party custodian to hold digital assets and exposure to the pool is minimized through daily withdrawals and monitoring. Wallet activity is reconciled and reviewed by management.

### *Loss of access risk*

The loss of access to the private keys associated with the Company's Bitcoin holdings may be irreversible and could adversely affect an investment. An amount of Bitcoin is spendable only by whoever possesses the private key associated with the address on which the Bitcoin is held.

To the extent a private key is lost, destroyed, or otherwise compromised, and no backup is accessible, the Company may be unable to access the associated Bitcoin. To mitigate this, the wallets are designed such that no single key, device, or individual is critical, encrypted back-ups and/or key-share arrangements are maintained in secure locations to enable controlled recovery.

## 13. RELATED PARTY TRANSACTIONS

The Company defines related parties in accordance with the definitions in IAS 24 - Related Party Disclosures. As they pertain to the Company, related parties comprise: (i) Key management personnel as described below, and (ii) entities within the Company's reporting group as described in **Note 3(b)**.

**13. RELATED PARTY TRANSACTIONS (CONT’D)**

(a) Key management personnel transactions

Key management includes the Company’s directors, officers and any consultants with the authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly, and includes Chief Executive Officer, Chief Financial Officer, Chief Technical Officer. Amounts owing to related parties consists of amounts due to key management.

During the years ended September 30, 2025 and 2024, key management personnel compensation consisted of short-term and long-term benefits and remuneration, and was classified as follows:

	2025	2024
	\$	\$
Total compensation paid to key management	1,714,860	223,481
Share-based payments	10,200,000	4,879,221
	<u>11,914,860</u>	<u>5,102,702</u>

As of September 30, 2025 and 2024, amounts due to related parties consisted of the following:

	2025	2024
	\$	\$
Balances included in accounts and other payables	95,758	213,119
Related party advances	150,794	66,950
Convertible debentures	1,568,220	1,364,013

The balances are unsecured, due on demand and bear no interest, unless otherwise disclosed.

(b) Key management dispute

The Company filed a lawsuit against its former CEO, for employment-related matters. The former CEO has filed a countersuit for damages against the Company. The likelihood and magnitude of the amounts in dispute are not determinable as at the date of these consolidated financial statements and, as such, no provision has been recorded thereon.

(c) Convertible debentures

On August 10, 2021, the Company obtained an unsecured convertible loan from the Company’s CEO, (“CEO Loan”), in the principal amount of \$1,000,000. The CEO Loan shall bear no interest prior to the maturity date. As and from the maturity date, any outstanding balance of the loan shall bear interest at an annual rate of 15% per annum, compounded semi-annually.

The Company must repay the loan immediately upon the earliest of the date (the “Maturity Date”) or the occurrence of the following events: (i) the Company receiving gross funds from investors participating in the Company’s current round of equity financing totaling \$10,000,000 or more, or (ii) the Company having public market value/capitalization on a recognized Canadian stock exchange of at least \$50,000,000 or (iii) CEO ceasing to be the Chairman and CEO of the Company for any reason whatsoever, other than his voluntary resignation.

**13. RELATED PARTY TRANSACTIONS (CONT'D)**

(c) Convertible debentures (cont'd)

After the Maturity Date, the Company may also elect, at its sole discretion, to convert the amount of the loan in whole or in part into common shares of the Company at a price of CAD \$0.40 per common share.

The Company allocated the proceeds of \$1,000,000 as follows: first to liability component for \$945,267, with the residual value to the equity component for \$54,733. The debenture has not been converted or repaid subsequent to the year end.

**14. OFF-BALANCE-SHEET ARRANGEMENTS**

As at September 30, 2025 and 2024, the Company had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

**15. RISK FACTORS AND UNCERTAINTIES**

The Company's operations involve numerous risks and uncertainties, many of which are beyond its control. The risks outlined below are not exhaustive. Additional risks—currently unknown to the Company or considered immaterial by management—could materially and adversely affect the Company's business, operations, financial condition, results of operations, or share price. Investors should carefully evaluate the following risks together with the other information contained in this MD&A and the Company's financial statements before making an investment decision. A number of the Company's risks are entity specific, including concentration of operations at a single facility in Norway's NO4 region, reliance of a third party mining pool provider (Luxor), exposure to a limited number of hosting customers, and the potential impact of Norwegian regulatory or grid policy changes on power costs and uptime.

(a) Technology, digital asset custody & operational continuity

(i) *Cryptocurrency security and code vulnerabilities*

The Company's digital asset holdings are inherently vulnerable to cybersecurity incidents, source code flaws, and network exploits. Cryptocurrencies rely on complex and constantly evolving open-source software, and despite peer review, errors in the codebase have occasionally been identified and exploited by malicious actors. While material exploits remain relatively rare, the possibility exists that undiscovered vulnerabilities could enable unauthorized transfers or the creation of counterfeit assets, potentially resulting in significant financial losses for the Company. The very nature of cryptocurrencies—as bearer assets accessible only through private keys—exacerbates this risk, as stolen or compromised assets are virtually impossible to recover.

(ii) *Custodial, wallet, and exchange risks*

The Company's reliance on custodial solutions, both internal and external, presents additional risks of theft, mismanagement, or insolvency of service providers. Cryptocurrency exchanges, although a key source of liquidity, remain less regulated and more prone to fraud, hacking, and operational failures than traditional financial institutions. High-profile collapses of exchanges in recent years underscore the vulnerability of counterparties in this space.

**15. RISK FACTORS AND UNCERTAINTIES (CONT'D)**

(a) Technology, digital asset custody & operational continuity (cont'd)

(ii) *Custodial, wallet, and exchange risks (cont'd)*

Any exchange failure or wallet compromise could lead to unrecoverable losses of the Company's inventory, directly harming its financial condition and potentially affecting investor confidence.

(iii) *Systems failures and cyber incidents*

Maintaining continuous mining and treasury operations requires resilient IT infrastructure. Risks include cyber intrusions, malware attacks, denial-of-service incidents, and failures due to fire, flood, or other disasters. The Company invests in redundancies, backup power, and ongoing upgrades to infrastructure; however, no system is infallible.

Extended downtime could impair mining output, disrupt treasury functions, and materially reduce revenues. Moreover, reputational harm may arise if customers, partners, or regulators perceive inadequacies in the Company's controls.

(iv) *Access to economical and reliable power*

Cryptocurrency mining is energy intensive. The Company's operations depend on reliable, large-scale, and competitively priced electricity. Any material increase in power tariffs, supply curtailments, or unfavourable regulatory actions by utilities could erode operating margins. For example, regional energy regulators such as Hydro-Québec have previously imposed moratoria and considered imposing surcharges or operational requirements on cryptomining firms. Similar actions in the future could materially impact the Company's cost base and profitability.

(v) *Hardware sourcing, pricing and technological obsolescence*

The Company's competitiveness depends on the timely acquisition of state-of-the-art mining machines at reasonable cost. Global demand for mining hardware is highly cyclical, and shortages or supply chain disruptions can lead to inflated prices and delivery delays. Rapid technological advancement further compounds this risk, as newer models quickly supersede older ones, reducing efficiency and revenue potential. If the Company cannot secure updated hardware, it risks being outcompeted by better-capitalized peers.

(vi) *Insurance limitations*

Insurance tailored to cryptocurrency mining and custody remains nascent, with limited coverage options available at significant cost. Events such as theft, hacking, or catastrophic facility damage may fall outside standard policies or within exclusions. If uninsured or underinsured losses occur, the Company could experience material financial and operational setbacks.

(vii) *Permits and licenses*

Mining and hosting operations may require governmental permits and environmental, zoning, or regulatory approvals.

Inability to obtain or maintain these approvals could restrict growth or increase compliance costs. Unexpected changes in licensing regimes could also impose delays or additional capital requirements.

**15. RISK FACTORS AND UNCERTAINTIES (CONT'D)**

(a) Technology, digital asset custody & operational continuity (cont'd)

(viii) *Third-party service providers and software dependencies*

The Company's operations rely on a wide network of third-party vendors, including software developers, cloud computing providers, and specialized contractors. Many of these service providers operate outside of traditional regulatory frameworks, and their internal controls may not be transparent. If such third parties fail to deliver services, suffer outages, or experience breaches of their own systems, the Company may face significant disruptions to its mining, treasury, and reporting functions. Replacing or renegotiating with these providers can be costly and time-consuming, and prolonged service interruptions could materially impair financial performance.

(ix) *Physical facility risks and environmental hazards*

Mining operations are highly sensitive to the physical integrity of their facilities. Fire hazards, water damage, structural weaknesses, and HVAC failures present ongoing risks to the safety and continuity of operations.

Furthermore, increasing scrutiny of environmental impact, particularly regarding noise levels, heat emissions, and recycling of obsolete hardware, may expose the Company to community opposition or compliance costs. Any incident or regulatory non-compliance could result not only in financial losses but also in reputational harm, hindering the Company's ability to expand operations.

(x) *Data integrity and disaster recovery limitations*

The Company's business model requires the storage and processing of vast amounts of financial and technical data. A failure in backup protocols, inadequate disaster recovery systems, or corruption of key data sets could materially impair operations and reporting accuracy. Although the Company has instituted redundancy systems and periodic testing, full resilience cannot be guaranteed. If critical data is lost or compromised, the Company could face operational delays, compliance failures, and increased risk of fraud or misrepresentation, any of which could erode investor and customer confidence.

(b) Regulatory, market structure & digital asset economics

(i) *Regulatory change and policy actions*

The global regulatory environment for cryptocurrencies remains fragmented and dynamic. Some jurisdictions actively support digital asset innovation, while others impose outright bans or restrictive frameworks. The Company faces uncertainty around potential new laws in Canada and internationally that could directly impact mining, ownership, transfer, or taxation of cryptocurrencies. Regulatory shifts could also extend indirectly to the Company's shares if authorities classify them as linked to restricted activities. In the worst case, regulations could force liquidation of inventories at unfavourable prices, curtail access to exchanges, or prohibit ongoing operations.

(ii) *Banking and payments de-risking*

A persistent challenge for cryptocurrency-related businesses is limited access to banking services. Many financial institutions perceive heightened compliance risks, particularly with respect to anti-money laundering and counter-terrorist financing. If the Company's banking partners reduce or withdraw services, treasury management could be impaired, increasing operational complexity and reputational risk.

**15. RISK FACTORS AND UNCERTAINTIES (CONT'D)**

(b) Regulatory, market structure & digital asset economics (cont'd)

(iii) *Exchange and trading-venue fragility*

Digital asset markets are young and only partially regulated. Major exchanges have experienced insolvencies, hacks, and abrupt shutdowns. Smaller exchanges may lack sufficient capitalization, while larger venues are attractive targets for cyberattacks or regulatory scrutiny. Because cryptocurrency prices are determined primarily on these venues, any disruption could trigger significant volatility and impair liquidity.

(iv) *Adoption and utility uncertainty*

Despite increased awareness, mainstream adoption of cryptocurrencies as a payment method remains limited. Use in retail and commercial markets is small compared with speculative trading. If adoption stalls or reverses, the result may be greater price volatility and diminished long-term value. Since cryptocurrencies have no intrinsic legal tender status, their worth depends on user and merchant acceptance. A collapse in acceptance could render them illiquid or valueless.

(v) *Price volatility and momentum dynamics*

Cryptocurrency prices are highly volatile, often driven by sentiment, leverage, or speculative momentum rather than fundamentals. This amplifies the risk of sharp value swings in short periods, leading to potential mark-to-market losses on the Company's inventory. Momentum pricing creates a feedback loop that can exacerbate both rapid appreciation and sudden crashes.

(vi) *Network economics, reward structure and transaction fees*

Mining economics depend on rewards issued by protocols. As block rewards halve approximately every four years, transaction fees are expected to play a larger role. If total rewards prove insufficient to incentivize miners, overall network participation could decline, reducing security and increasing susceptibility to attacks. Lower participation may also reduce block production speed, undermining confidence in the network and indirectly affecting the Company's revenues.

(vii) *Network difficulty and competition*

Bitcoin's self-adjusting difficulty mechanism means that rising global hash rates dilute per-unit rewards. As competitors with greater scale and efficiency join the network, the Company's output may decrease despite unchanged costs, potentially eroding profitability. This dynamic could render operations uneconomical if difficulty rises faster than anticipated.

(viii) *Supply and demand shocks, including actions by investment vehicles*

The emergence of cryptocurrency investment vehicles, such as exchange-traded funds and trusts, concentrates significant market influence in institutional hands.

Large inflows or redemptions from these vehicles can amplify volatility. Should such entities sell large holdings in a short period, digital asset prices could fall sharply, negatively affecting the Company's inventory value.

**15. RISK FACTORS AND UNCERTAINTIES (CONT'D)**

(b) Regulatory, market structure & digital asset economics (cont'd)

(ix) *Geopolitical and macroeconomic events*

Crises such as wars, sanctions, or economic recessions may drive speculative demand for cryptocurrencies as alternative stores of value. These inflows can temporarily inflate prices but are often followed by corrections. Conversely, geopolitical instability may reduce confidence in cryptocurrencies as viable alternatives to fiat, further complicating demand forecasts. The unpredictability of such events creates additional uncertainty in planning and risk management.

(x) *Forced sales to fund operations*

The Company may need to liquidate digital assets to meet operational obligations or fund expansion, regardless of prevailing market conditions. If such sales occur during periods of depressed prices, they may crystallize losses and adversely affect cash flow and profitability.

(xi) *Cross-border regulatory inconsistencies*

The Company operates in a global marketplace where digital assets frequently cross jurisdictions. Inconsistent or conflicting international rules on mining, custody, taxation, and transfer of cryptocurrencies create ongoing uncertainty. For example, assets legally mined in one country may face restrictions or penalties if transferred or sold in another. Navigating these regulatory patchworks requires significant legal resources and exposes the Company to inadvertent non-compliance risks. Future regulatory divergence may also hinder the Company's ability to scale internationally.

(xii) *Market manipulation and integrity concerns*

Digital asset markets are less regulated than traditional securities exchanges, leaving them vulnerable to practices such as wash trading, spoofing, pump-and-dump schemes, and the influence of large "whale" investors. Such manipulative behaviour can distort pricing, reduce transparency, and undermine confidence in the market as a whole. If manipulation is widespread or persistent, the Company may experience unexpected valuation swings in its inventory, limiting its ability to plan operations, raise capital, or secure counterparties.

(xiii) *Shifts in energy policy and carbon regulation*

Governments worldwide are increasingly focused on sustainability and carbon reduction. Mining, as an energy-intensive activity, could be targeted with taxes, levies, or outright restrictions intended to reduce greenhouse gas emissions. Jurisdictions that once welcomed mining may pivot toward more restrictive stances as public pressure mounts. If regulators impose carbon pricing, renewable energy quotas, or limitations on power usage specific to cryptocurrency miners, the Company's cost structure and long-term viability could be materially affected.

(c) Financial, corporate, legal & governance

(i) *Liquidity and additional financing*

Execution of the Company's business strategy depends on raising and maintaining adequate capital. There is no guarantee that financing will be available on favourable terms—or at all—when required. Equity financings may dilute existing shareholders, while debt could impose restrictive covenants. Failure to secure necessary funding could result in scaling back or abandoning strategic initiatives and, in extreme cases, threaten the Company's ability to continue as a going concern.

**15. RISK FACTORS AND UNCERTAINTIES (CONT'D)**

(c) Financial, corporate, legal & governance (cont'd)

(ii) *Key personnel*

The Company relies heavily on its senior management team and specialized technical staff. Retaining and attracting individuals with cryptocurrency, finance, and technology expertise is highly competitive. Departure of key personnel without suitable replacements could materially disrupt strategy execution and growth.

(iii) *Strategy execution, acquisitions and integrations*

As part of its strategy, the Company may pursue acquisitions, joint ventures, or partnerships. Each transaction carries risks related to due diligence, financing, cultural integration, and realization of synergies. Missteps in execution could result in financial losses or distraction from core operations.

(iv) *Conflicts of interest*

Some directors and officers may hold positions in or investments in other entities engaged in cryptocurrency or technology businesses. While legal safeguards require disclosure and abstention from conflicted decisions, the perception or reality of conflicts could raise governance concerns or complicate decision-making.

(v) *Litigation and regulatory proceedings*

The Company may face legal or regulatory claims in the ordinary course of business. Even if ultimately resolved favourably, such proceedings can consume management resources and generate costs. Adverse rulings may result in penalties, damages, or operational restrictions.

(vi) *Intellectual property claims*

Third parties may assert that the Company's activities infringe upon their intellectual property rights. Defending such claims, regardless of merit, can be costly and disruptive. Unfavourable outcomes could affect the Company's ability to operate or diminish confidence in cryptocurrencies generally.

(vii) *Dividend policy*

The Company has not declared dividends and does not expect to do so in the foreseeable future. Future dividend decisions, if any, will depend on profitability, liquidity, and Board discretion. Shareholders should not expect income from dividends in the near term.

(viii) *Tax attributes and compliance risks*

The Company has approximately \$24 million of tax loss carryforwards that may offset future taxable income. Utilization depends on continued profitability and acceptance by the Canada Revenue Agency. If disallowed, future tax liabilities may increase.

Furthermore, uncertainty remains regarding the treatment of cryptocurrency mining under commodity tax regimes such as GST, HST, and QST. Adverse assessments or interpretive changes could delay refunds or reduce working capital.

**15. RISK FACTORS AND UNCERTAINTIES (CONT'D)**

(c) Financial, corporate, legal & governance (cont'd)

(ix) *Income and commodity tax uncertainty*

Complex and evolving tax rules pose ongoing risks. Disputes with authorities may result in additional taxes, penalties, or interest. Even with proactive compliance, interpretations may shift, creating potential liabilities.

(x) *Competition and market perception*

The Company competes with other miners and digital asset firms for resources, customers, and investor attention. Negative industry events—such as exchange failures, hacks, or regulatory crackdowns—can tarnish sentiment and reduce valuations across the sector, affecting the Company even if it is not directly implicated.

(xi) *Dependence on capital markets sentiment*

As a publicly traded entity, the Company's valuation and access to capital are closely tied to investor sentiment toward the digital asset sector. Market downturns, scandals involving other blockchain companies, or broader declines in technology stocks may limit the Company's ability to issue equity or debt on acceptable terms. A sudden contraction in available financing could force the Company to curtail growth initiatives, restructure operations, or sell assets at distressed values.

(xii) *Internal control and financial reporting risks*

The complexity of accounting for digital assets, coupled with evolving standards under IFRS, creates heightened risk of errors or misstatements in the Company's financial disclosures. Inadequate internal controls, resource constraints in finance teams, or reliance on manual reconciliation processes could result in delayed filings, restatements, or regulatory scrutiny. Such outcomes would undermine credibility with investors and may limit access to financing or strategic partners.

(xiii) *Reputational exposure and stakeholder confidence*

The Company operates in a sector that is often subject to intense media attention and public debate. Negative coverage—whether linked to cybersecurity incidents, environmental concerns, or unrelated events in the digital asset industry—can affect the Company's reputation even in the absence of direct involvement. Erosion of stakeholder confidence may impair the Company's ability to attract and retain employees, customers, and investors, creating a self-reinforcing cycle that hampers growth and long-term resilience.

**16. DISCLOSURE CONTROLS AND PROCEDURES/ INTERNAL CONTROL OVER FINANCING REPORTING**

As a venture issuer, the Company has filed basic certificates under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109").

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**16. DISCLOSURE CONTROLS AND PROCEDURES/ INTERNAL CONTROL OVER FINANCING REPORTING (CONT'D)**

The certifying officers do not make representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Inherent limitations on the ability of management to design and implement DC&P and ICFR may result in misstatements or omissions that are not prevented or detected. There has been no change in the Company's ICFR during the period that has materially affected, or is reasonably likely to materially affect, the Company's ICFR. Inherent limitations on the ability of management to design and implement DC&P and ICFR may result in misstatements or omissions that are not prevented or detected.

**17. OUTLOOK**

Management expects post halving mining economics to remain challenging and highly sensitive to BTC price, transaction fees and network difficulty. The Company's near term priorities are: (i) increasing energy efficiency and hashrate per MW through new miner deployments; (ii) expanding hosting revenue to improve cash flow stability; (iii) optimizing grid flexibility revenues in Norway; and (iv) maintaining disciplined capital allocation. These expectations constitute forward looking information and are based on the assumptions described under "Forward Looking Information.". See 'Cautionary Note Regarding Forward-Looking Information' for important assumptions and risk factors.

**18. OUTSTANDING SHARE DATA**

As at September 30, 2025, the Company's outstanding share data is as follows:

- Common shares outstanding: 426,295,923
- Stock options outstanding: 9,080,333
  - Weighted average exercise price: \$0.19
  - Weighted average remaining life: 1.4 years
  - Options exercisable: 8,580,333
- Restricted Share Units (RSUs) outstanding: 48,476,100
  - RSUs vested: 9,571,233
- Convertible debentures outstanding: \$947,364 principal amount.
  - Convertible at CAD \$0.40 per share at the Company's option after maturity.

For a detailed breakdown of the Company's outstanding securities, including exercise prices, expiry dates, vesting conditions, and any changes subsequent to year end, please refer to Section 4 (Subsequent Events) and Section 9 (Material Transactions).

**19. FILING**

These documents have been filed electronically with the Canadian securities regulators through the System for Electronic Document Analysis and Retrieval + ("SEDAR+") and may be accessed through SEDAR+'s website at [www.sedarplus.ca](http://www.sedarplus.ca).

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Annual Listing Summary.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated February 9, 2026.

Igor Kostoutchenko  
Name of Director or Senior Officer

\_\_\_\_\_  
Signature

CFO  
Official Capacity

<b>Issuer Details</b> Name of Issuer Bitzero Holdings Inc.	For Year Ended September 30, 2025	Date of Report YY/MM/D 26/02/09
Issuer Address 1100 One Bentall Centre, 505 Burrard Street, Suite 1100		
City/Province/Postal Code Vancouver, British Columbia, V7X 1M5	Issuer Fax No. N/A	Issuer Telephone No. +44 (777) 303-0394
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