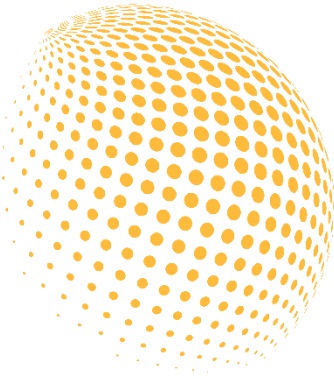




Digital Commodities

Digital Commodities Capital Corp.
(Formerly The BC Bud Corporation)

Management's Discussion and Analysis

For the years ending February 28, 2025, and February 29, 2024
(Expressed in Canadian Dollars)

Forward-Looking Information

The following is management's discussion and analysis ("MD&A"), prepared as of June 30, 2025. This MD&A should be read in conjunction with Digital Commodities Capital Corp., (formerly the BC Bud Corporation), (the "Company") audited consolidated financial statements and the accompanying notes for the years ended February 28, 2025, and 2024, all as prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

All amounts are stated in Canadian dollars unless otherwise indicated.

This report includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward-looking statements and, as such, are subject to risks, uncertainties, assumptions and other factors of which are beyond the reasonable control of the Company. You can identify these statements by forward-looking words such as "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimated", "projects", "potential", "scheduled", "forecast", "budget", and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur and similar words. Such statements give the Company's current expectations or forecasts of future events and are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made, and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Factors that could cause actual results to differ materially from those in forward-looking statements include, for example, such matters as continued availability of capital and financing and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement.

The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Description of Business

The Digital Commodities Capital Corp. was incorporated under the laws of Alberta and was continued into British Columbia during the year ended December 31, 2000. On March 31, 2020, the Company changed its name from Waterfront Capital Corporation to Entheos Capital Corp. On September 29, 2021, the Entheos Capital Corp. completed a reverse takeover transaction with The BC Bud Corporation and changed its name to The BC Bud Corporation. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "DIGI" and the OTCQB under the symbol "DGCMP". The Company's registered office is located at 15th Floor – 1111 West Hastings St., Vancouver, British Columbia, V6E 2J3.

The Company is developing recreational cannabis products and brands in the cannabis industry through licensing, white label contract manufacturing agreements with licensed producers within their facilities under the Cannabis Act selling to provincial distributors and marketing to retailers. The Company is not a licensed producer. The Company's active offerings in branded products will include The BC Bud Co flower, infused and vape products, edibles under the brand 'Canna Beans' and "Canna Almonds", concentrates sold as 'Solventless Solutions', and select lifestyle apparel.

On March 20, 2025, the Company completed a change of business from a cannabis issuer to an investment issuer. The Company invests in digital and physical non-fiat assets, businesses and private and publicly listed entities that are involved in high-growth industries, with a particular focus on hard commodities, cryptocurrencies and the resource sector.

Change of Auditor

An enforcement report dated December 7, 2023, was issued by the Canadian Public Accountability Board ("CPAB") against the Company's former auditor, BF Borgers CPA PC. Pursuant to the enforcement report, the former auditor is prohibited from accepting Canadian reporting issuers as clients. The former auditor was asked to resign by the Company which occurred on March 12, 2024. The Company confirms that, at this time, there have been no reservations or modified opinions in the former auditor's reports for any period during which the former auditor was the auditor of the Company. The board approved the resignation of the former auditor and the appointment of the successor auditor in place of the former auditor. At the request of the British Columbia Securities Commission ("BCSC"), the Company was asked to amend and restate its audited consolidated financial statements for the fiscal year ended February 28, 2023. On May 27, 2024 the Company appointed Davidson & Company LLP as its auditor. The successor auditor has reaudited the fiscal year ended February 28, 2023, as part of this engagement.

The resignations and appointments of auditors of the Company were considered and approved by the audit committee and the board of directors of the Company.

On July 2, 2024, the Company announced the delay in filing its financial statements and management's discussion and analysis for the year ended February 29, 2024, due to the change in auditors. The Company was granted a management cease trade order ("MCTO") by the BCSC.

On October 16, 2024, the Company announced that it had completed the filing of the financial statements and management's discussion and analysis for the year ended February 29, 2024. The MCTO was subsequently removed from the Company.

Management Changes

- On May 7, 2024, the Company appointed Sean Flynn as the Chief Commercial Officer. Mr. Flynn subsequently resigned from the Company on August 31, 2024.
- On October 25, 2024, Simon Tso resigned as Chief Financial Officer and Corporate Secretary of the Company.
- On November 1, 2024, the Company appointed Lachlan McLeod as Chief Financial Officer and Corporate Secretary of the Company. Mr. McLeod is a Chartered Professional Accountant (CPA) with a BSc in Economics with a minor in Business from the University of Victoria. Additionally, he obtained his Diploma of Accounting from the Sauder School of Business at the University of British Columbia. Mr. McLeod has over a decade of accounting experience in both public and private companies, including four years as an auditor at a KPMG.
- On December 30, 2024, the Company appointed Alyssa Barry to the Board of Directors. Alyssa Barry is the President of Alliance Advisors Investor Relations, joining through the 2024 acquisition of irlabs, a leading IR firm she co-founded in 2021. With 20 years of capital markets and investor relations experience, Alyssa's expertise spans shareholder activism, corporate governance, and taking companies public in Canada and the US. She has raised over \$1 billion in capital and previously served as Corporate Secretary of Artis REIT (TSX: AX.UN). In 2024, Alyssa was named one of Canada's Most Powerful Women: Top 100 by the Women's Executive Network (WXN) and recognized in Business in Vancouver's Top 40 Under 40. On December 30, 2024, the Company also accepted the resignation of Brian Taylor from the Board of Directors
- On January 22, 2025, the Company appointed Ken Osborne to the board of directors. Ken is a seasoned finance professional with deep expertise in mergers and acquisitions, capital markets, and strategic advisory. As a General Partner at Osborne Partners Ltd., he has led numerous successful transactions, including acquisitions, equity financings, and venture debt mandates across a range of industries. Previously, Ken was a key member of the M&A team at TELUS Corporation, where he managed 11 acquisitions spanning the telecom and agriculture technology sectors. A CFA Charterholder, Ken is based in Vancouver, BC. The Company has also accepted the resignation of Justin Chorbajian from the Board effective January 22nd, 2025.
- On March 25, 2025, the Company announced the appointment of Dean Sutton as a strategic advisor. Dean Sutton is a recognized leader in the digital asset and fintech sectors, with over 15 years of experience in founding, capitalizing, and scaling disruptive technology companies. He is best known for his role as Co-Founder of WonderFi Technologies (TSX: WNDR) - a recognized leader in the regulated crypto landscape in Canada - and has played a key role in shaping the public crypto narrative in Canada through multiple innovative ventures.

Recent Announcements

- On April 12, 2024, the Company announced that it had closed a non-brokered private placement for gross proceeds of \$400,000. The Company issued 20,000,000 units at a price of \$0.02 per unit. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.05 per share for a period of 24 months.

- On May 14, 2024, the Company announced the addition of Cary Alexander to its advisory board. Cary played a key role in financing, developing, and expanding successful cannabis brands such as Jeeter, Bloom, Packwoods, and Tyson 2.0.
- On November 7, 2024, the Company announced the issuance of 900,000 common shares to certain directors and consultants. The common shares had a fair value of \$13,500 on the date of issuance.
- On November 20, 2024, the Company announced that it had closed a non-brokered private placement for gross proceeds of \$375,000. The Company issued 25,000,000 units at a price of \$0.015 per unit. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.10 per share for a period of 24 months.
- On December 3, 2024, the Company announced to diversify its treasury with purchases in Ripple ("XRP"), a popular and increasingly legitimized cryptocurrency, as part of its strategic efforts to create shareholder value. The Company has begun by allocating CAD \$250,000 from its cash reserves held in its Canadian accounts to purchase XRP. This move reflects the Company's belief in the potential of XRP to provide an attractive return on investment for shareholders.
- On January 9, 2025, the Company announced that it has entered into a market stabilization and liquidity services agreement with Red Cloud Securities Inc. ("RCSI") to provide market making services in accordance with the policies of the Canadian Securities Exchange ("CSE"). RCSI will trade the Company's shares on the CSE for the purposes of maintaining reasonable bid and offer spreads and improving the liquidity of the Company's shares (the "Services"). RCSI will begin providing the Services on January 15th, 2025, and will continue to provide the Services on a monthly basis for a cash fee of \$5,000 per month.
- During January 2025, the Company issued 21,986,813 units for proceeds of \$1,649,011 at a price of \$0.075 per unit. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to acquire an additional common share at a price of \$0.15 per share for a period of 24 months. The Company incurred finders' fees of \$21,912 and issued 292,160 finders warrants. Each finder's warrant is exercisable into one unit of the Company at a price of \$0.075 per finder unit for a period of 24 months, with each finder's unit comprised of one common share and one warrant.
- On February 21, 2025, the Company announced that it intends to complete a change of business from a cannabis issuer to an investment issuer (the "Proposed Change of Business"). Following a thorough evaluation of the Company's existing operations and a review of its strategic options, the Company believes that the experience and industry contacts of the board and management will enable it to identify and capitalize upon investment opportunities and ultimately bring greater value to the Company's shareholders as an investment issuer.

Upon completion of the Proposed Change of Business, the Company's primary focus will be to seek returns through investments in accordance with its investment policy. Specifically, the Company will operate as a diversified investment company focused on investing in digital and physical non-fiat assets, businesses and private and publicly listed entities that are involved in high-growth industries, with a particular focus on hard commodities, cryptocurrencies and the resource sector.

As part of the Change of Business, the Company will change its name to "Digital Commodities Capital Corp." The Change of Business was completed on March 24, 2025.

- On March 4, 2025, the Company announced that it had uplisted from the OTC Pink Market to the OTCQB Venture Market. The Company's common shares have commenced trading on the OTCQB.
- On March 10, 2025, the Company announced that it had refiled its condensed consolidated interim financial statements for the three and nine-month periods ended November 30, 2024 and 2023. Due to significant doubts about the reliability of the financial statements audited by the Company's previous auditors, BF Borgers, CPA PC, the Company has revised the numbers previously filed for these periods in its unaudited consolidated condensed interim financial statements. Refer to "Change of Auditor" section above.
- On March 27, 2025, the Company announced a strategic investment in Gold Finder Resources Ltd. ("GLD"), formerly GoldON Resources Ltd. The Company has acquired 10,000,000 units of GLD at a price of \$0.025 per unit for a total investment of \$250,000 (the "Investment"). Each unit consists of one common share and one common share purchase warrant, with each warrant exercisable at a price of \$0.05 per share for a period of two years. GLD is a publicly listed Canadian mineral exploration company focused on advancing gold exploration projects in Ontario - one of Canada's most prospective and mining-friendly jurisdictions. As part of the Investment, the Company has secured the right to nominate a representative to GLD's board of directors.
- On March 31, 2025, the Company announced the initial acquisition of 10,000 units of the Sprott Physical Silver Trust (TSX: PSLV) as part of its broader strategic commitment to the silver market. The Company is actively evaluating opportunities to increase its exposure to physical silver and related investments, including the potential acquisition of additional PSLV units in the near term.
- On April 30, 2025, the Company announced strategic digital marketing agreements with Senergy Communications Capital Inc. ("Senergy") and Aktiencheck.de AG ("Aktiencheck").
- On June 9, 2025, the Company announced that it has entered into binding letter of intent with Vancrypto Inc. ("Vancrypto") to establish a non-exclusive facility (the "Facility") through which the Company may, from time to time and at its discretion, acquire Bitcoin directly from Vancrypto in exchange for cash or securities of the Company. Vancrypto, a privately held company, operates a cryptocurrency mine in Western Canada that is powered entirely by renewable energy.
- On June 23, 2025, the Company announced that it has completed the conversion of its XRP holdings into Bitcoin. As a result, the Company now holds two Bitcoin, acquired at an average cost of US\$101,365, underscoring its ongoing commitment to building long-term exposure to premier digital assets.
- On June 25, 2025, the Company announced a non-brokered private placement of up to 20,000,000 units at a price of \$0.15 per unit for aggregate gross proceeds of \$3,000,000. Each unit consists of one common share and one common share purchase warrant, exercisable at a price of \$0.30 per share for a period of two years. The net proceeds from the financing will be used to increase the Company's Bitcoin treasury holdings, furthering its strategic focus on high-quality digital asset exposure.

Selected Annual Information

	Year ended February 28, 2025	Year ended February 29, 2024	Year ended February 28, 2023
	\$	\$	\$
Revenue	140,760	61,482	269,239
Net loss	(1,887,202)	(1,224,056)	(1,413,817)
Loss per share (basic and diluted)	(0.02)	(0.02)	(0.03)
Cash used by operating activities	(988,594)	(620,362)	(1,431,705)

Consolidated Statements of Financial Position	February 28, 2025	February 29, 2024	February 28, 2023
	\$	\$	\$
Assets			
Current assets	1,898,985	598,051	1,223,069
Non-current assets	20,296	34,015	47,734
Total assets	1,919,281	632,066	1,270,803
Liabilities			
Current liabilities	295,239	626,005	328,176
Non-current liabilities	-	-	-
Total liabilities	295,239	626,005	328,176
Total shareholders' equity	1,624,042	6,061	942,627
Total liabilities and shareholders' equity	1,919,281	632,066	1,270,803

The Company's operations slowed during the year ended February 29, 2024, due to disclosed issues with the Company's former auditor, which caused significant operational and compliance issues. The Company worked during the year ended February 28, 2025, to resolve all compliance issues. Subsequently, the Company announced the change to an investment issuer. The increase in current assets in F2025 was due to the Company raising money and acquiring XRP and other marketable securities in preparation for the change to an investment issuer.

Discussion of Operations for the years ended February 28, 2025 ("F2025") compared to the year ended February 29, 2024 ("F2024"):

The Company incurred a net loss for F2025 of \$1,887,202 (2024 - \$1,224,057). The change of \$663,145 in the net loss was due to the items noted below:

- Gross loss of \$357,228 (2024 – \$251,969) increased due to a higher cost of inventory being expensed to cost of sales as compared to the prior year. This relates to higher inventory costs in F2025. In addition, the Company recognized an inventory impairment loss of \$294,121 (2024 - \$311,472) which was included in cost of sales.
- Advertising and promotion of \$38,027 (2024 – \$ 111,955) due to a few large marketing and public relations campaigns in 2023 aimed at promotion, paid to 3 main advertising companies. There were also more online media services, with a campaign paid for online awareness and advertising. These services were stopped until recently as disclosed in the announcement section above.

- Bad debt recovery of \$38,824 due to a customer sending products to the Company to settle accounts receivable that were previously written off. During F2024, the Company had a bad debt expense of \$28,531.
- Consulting fees of \$215,326 (2024 - \$280,981) decreased due to a reduction in contract management fees and cost saving efforts to reduce expenses during the MCTO.
- Share-based payments of \$720,399 (2024 - \$ 88,991) due to the granting and vesting of stock options F2025 to a new management group, new directors and consultants. Included in share-based payments is an amount of \$38,500 as shares issued for services.

Summary of Quarterly Results

The following is a summary of consolidated quarterly results of the Company for the eight most recently completed financial quarters ended November 30, 2024:

Quarter ended	Revenue	Net income (loss) and comprehensive income (loss)	Weighted average number of shares	Basic and diluted (loss) income per share
	\$	\$	#	\$
February 28, 2025	74,461	(1,358,613)	118,178,453	(0.01)
November 30, 2024	23,494	(150,039)	102,403,204	(0.00)
August 31, 2024	36,499	(397,745)	77,010,982	(0.01)
May 31, 2024	6,306	19,195	64,986,432	0.00
February 29, 2024	(432,674)	(676,989)	56,510,982	(0.01)
November 30, 2023	34,364	(205,285)	56,117,232	(0.00)
August 31, 2023	262,213	(192,662)	55,244,704	(0.00)
May 31, 2023	197,579	(149,698)	53,470,565	(0.00)

During the quarter ended February 28, 2025, the Company saw an increase in revenue of \$50,970 and an increase in the net loss and comprehensive loss of \$1,130,042. This increase is mainly due to the Company issuing stock options during the period totaling share-based payments of \$720,399 and an inventory impairment of \$294,121.

During the quarter ended November 30, 2024, sales have been leveling off has come as the Company recently consolidated its inventory with a smaller number of suppliers. This transition took time and caused a decrease in sales during the quarters ending May 31, 2024, and February 29, 2024. These transfers of inventory were completed during the quarter ended August 31, 2024. The completion of these transfers is expected to reduce operating expenses as operations are now simpler, with a lower level of total sales expected. The Company sales have experienced large fluctuations caused by year end audit adjustments related to revenue recognition. The Company's net loss over the past eight periods is around \$200,000 per quarter, with fluctuations due to adjustments for impairment of inventory and accounts receivable.

Off Balance Sheet Arrangements

The Company had no off-balance sheet arrangements that are not disclosed above as at February 28, 2025, and as at the date of this MD&A.

Proposed Transactions

As at February 28, 2025, the Company had no undisclosed proposed transactions.

Liquidity and Capital Resources

The consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, the consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company reported a loss of \$1,887,202 for the year ended February 28, 2025 (2024 – \$1,224,057) and had an accumulated deficit of \$7,441,291 as at February 28, 2025 (2024 – \$5,554,089) and working capital of \$1,603,746 at February 28, 2025 (2024 – deficit of \$27,954). The Company's ability to continue as a going concern is dependent upon its ability to achieve profitable operations and obtaining appropriate financing to support its ongoing activities. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations, including corporate and administrative functions and to support operations. The Company obtains funding primarily through issuing common stock and through its loans payable. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes in the Company's approach to capital management during the year ended February 28, 2025. The Company is not subject to externally imposed capital requirements.

At February 28, 2025, the Company had a positive working capital of \$1,603,746 compared to a deficit of \$27,954 at February 29, 2024. All the current accounts payable and accrued liabilities are due and payable within 12 months or on demand

The following is the cash flow activities for the year ended February 28, 2025, and February 29, 2024:

	F2025	F2024
	\$	\$
Cash used in operating activities	(988,594)	(620,362)
Cash used in investing activities	(715,325)	-
Cash provided by financing activities	2,713,959	313,250
Net increase (decrease) in cash	1,010,040	(307,112)
Cash, beginning of year	4,202	311,314
Cash, end of year	1,014,242	4,202

Cash used in operating activities of \$988,594 during the year ended February 28, 2025, was mainly the result of operating losses. In the comparable period, the operating activities used cash of \$620,362. The increase was mainly due to the paying down of accounts payable from the prior year.

During the year ended February 28, 2025, the Company acquired \$715,325 in marketable securities and crypto currency. The Company had no cash flows from investing activities during the year ended February 29, 2024

Cash provided by financing activities of \$2,713,959 during the year ended February 28, 2025 (2024 - \$313,250) was the result of the following transactions:

- Private placements totaling \$2,398,534 in proceeds, net of share issuance costs.
- Warrant exercises totaling \$386,250 in proceeds in exchange for 7,725,000 common shares.
- Proceeds from loans payable of \$100,000 as the Company has borrowed funds for working capital purposes, offset by \$170,825 in loan repayments.

The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to generate cash flow through the sales of products and the issuance of common shares pursuant to private placements. The Company has relied primarily on equity financing for all funds raised to date for its operations but has also been dependent on loans made by related parties. The Company needs more funds to finance its operations. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. The Company's growth and success is dependent on additional external sources of financing which may not be available on acceptable terms.

The Company works to meet its administrative overhead and finance operations going forward. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate expenditures and/or investments and may be unable to continue in operation. There is no assurance that any future funding can be accomplished as it would be wholly dependent on the state of the capital markets for junior cannabis companies. The Company does not anticipate the payment of dividends in the future.

Transactions with Related Parties

Related parties include the directors, corporate officers, key management personnel, significant shareholders and enterprises that are controlled by these individuals. This includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole and its subsidiaries.

During the year ended February 28, 2025, and February 29, 2024, the Company incurred the following amounts towards related parties:

Consulting fees	Year ended	
	February 28, 2025	February 29, 2024
TJT Ventures Ltd. (Management)	\$ 60,000	\$ 90,000
Brayden Sutton (CEO and Director)	87,500	90,000
Lachlan McLeod (CFO and Corporate Secretary)	29,120	-
Brian Taylor (Former Director)	3,600	-
Justin Chorbajian (Former Director)	3,600	-
Sean Flynn (Former Chief Commercial Officer)	30,000	-
	\$ 213,820	\$ 180,000

RSUs vested	Year ended	
	February 28, 2025	February 29, 2024
Dayna Lange (former Director)	\$ -	\$ 27,563
Brian Taylor (former Director)	-	27,563
Justin Chorbajian (former Director)	-	27,563
	\$ -	\$ 82,689

Share-based payments	Year ended	
	February 28, 2025	February 29, 2024
Lachlan McLeod (CFO and Corporate Secretary)	\$ 78,510	\$ -
Ken Osborne (Director)	78,510	-
Alyssa Barry (Director)	78,510	-
Dayna Lange (former Director)	-	9,574
Brian Taylor (former Director)	-	9,574
Justin Chorbajian (former Director)	-	9,574
	\$ 235,530	\$ 28,722

Rent expense	Year ended	
	February 28, 2025	February 29, 2024
Cybin Therapeutics Inc.	\$ 8,400	\$ -

As at February 28, 2025, the Company had \$17,771 (2024 - \$251,073) due to related parties included in accounts payable and accrued liabilities. These amounts are non-interest bearing and due on demand.

During the year ended February 28, 2025, the Company paid \$42,500 to Zeus Capital Ltd., the employer of the former CFO and Corporate Secretary. (2024 - \$80,000).

Financial Instruments

Fair Value

The Company classifies its cash, accounts payable and loan payable as amortized cost instruments. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments. Loan payable is carried at amortized cost, measured at level 3 inputs of the fair value hierarchy.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. Although the Company believes its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its accounts receivable, advances and liquid financial assets, including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with reputable financial institutions. The Company considers credit risk with respect of these amounts to be low. The carrying amount of financial assets represents the maximum credit exposure.

Accounts Receivable

Accounts receivable consists of trade receivables of \$40,354 at February 28, 2025 (2024 - \$Nil). To reduce the credit risk of accounts receivable, the Company regularly reviews the collectability of accounts receivable to ensure there is no indication that these amounts will not be fully recoverable. As well, any accounts receivable outstanding for more than 90 days is generally considered bad debt, unless there are strong indications that the debt can be collected based on management expectations and historical collections. Subsequent bad debt collected will be included as a bad debt recovery. As a result, as at February 28, 2025, the Company impaired its accounts receivable balance when arriving at the expected credit losses of \$Nil (2024 - \$28,531) in accordance with IFRS 9, *Financial Instruments*.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. As at February 28, 2025, the Company had working capital of \$1,603,746 (2024 – deficit of \$27,954). All of the Company's current liabilities are due within 90 days of February 28, 2025, or on demand.

A summary of undiscounted liabilities and future operating commitments as at February 28, 2024, are as follows:

	Total	Within 1 year	1 – 3 years	3 – 5 years
Maturity analysis of financial liabilities	\$	\$	\$	\$
Accounts payable and accrued liabilities	101,565	101,565	-	-
Loan payable	193,674	193,674	-	-
	295,239	295,239	-	-

Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not currently exposed to any significant interest rate foreign currency risk or other price risk.

Debt Settlement

During the year ended February 28, 2025, a customer settled \$38,824 in accounts receivable by with product, the product was recorded at the lower of costs and net realizable value. As this receivable amount was previously written off, this settlement was recorded as a recovery of bad debt of \$38,824.

During the year ended February 28, 2025, \$31,973 in accounts payable, previously written off as of February 29, 2024, was assigned to a third party and considered payable, resulting in an increase of \$31,973 in accounts payable and cost of sales as a result.

Changes In Accounting Standards**Accounting standards issued but not yet effective**

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after March 1, 2025. The Company has reviewed these updates and determined that many of these updates are not applicable or consequential; or instances where it is applicable the effective date is more than a year out and therefore, the Company and have been excluded from discussion within these significant accounting policies.

Material Accounting Policy Information

The preparation of consolidated financial statements in conformity with IFRS Accounting Standard requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. It is reasonably possible that circumstances may arise that would cause actual results to differ from management estimates; however, management does not believe it is likely that such differences will materially affect the Company's financial position. A significant area requiring the use of management estimates and judgments is the assessment of the recoverability of inventory, share based payments, and the estimate of the revenues to be recognized given the return rights of the products of the provincial bodies.

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the amounts reported in the consolidated financial statements include:

Revenue

Revenue from contracts with customers is recognized by following the five-step process defined under IFRS 15. The payment terms over revenue contracts are subject to sell through as the evolution of government reach due to outstanding unpaid excise taxes in the industry and collectability is also reliant on whether the government/CRA garnishes funds due to delinquent manufacturers. This impacts the estimate of revenues to be recognized as returns.

Impairment of inventory

The Company measures inventory at the lower of cost and net realizable value, and in the event, cost exceeds net realizable value, an impairment charge is recorded. This determination requires judgement, which includes, among other factors, the selling price, less estimated selling expenses.

Share-based payments

The Company uses the Black-Scholes option pricing model to value options and warrants granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual.

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of voting common shares without par value. The Company had the following securities outstanding as at February 28, 2025, and the date of this MD&A:

	February 28, 2025	Date of this MD&A
	#	#
Common shares	132,622,795	132,822,795
Stock options	9,950,000	10,950,000
Common Share Purchase Warrants	68,708,480	68,508,480
Finders Warrants	292,160	292,160
Fully diluted securities	211,573,435	212,573,435

Subsequent Share Transactions:

- On April 11, 2025, the Company granted 1,000,000 stock options to a consultant of the Company, pursuant to the Company's omnibus share incentive plan. Each option is exercisable by the holder for one common share at an exercise price of \$0.075 for a period of two years.
- The Company issued 200,000 common shares pursuant to the exercise of warrants. The exercise of warrants was for total gross proceeds of \$10,000.

Previous Financings – Use of Funds**Private Placement - February 2023**

Funds Raised	\$340,000
Stated purpose in news release	Business development and general working capital
Actual Use	The funds have been spent on acquisition of inventory, financing receivables, and general operating costs
Variances and impact of variances	No material variances have been identified by the Company. Proceeds have been used as intended to date and to finance the Company's operations while meeting administrative requirements.

Private Placement - August 2023

Funds Raised	\$198,500
Stated purpose in news release	Business development and general working capital
Actual Use	The funds have been spent on acquisition of inventory, financing receivables, and general operating costs
Variances and impact of variances	No material variances have been identified by the Company. Proceeds have been used as intended to date and to finance the Company's operations while meeting administrative requirements.

Private Placement – April 2024

Funds Raised	\$400,000
Stated purpose in news release	Business development and general working capital
Actual Use	The funds have been spent on acquisition of inventory, financing receivables, and general operating costs
Variances and impact of variances	No material variances have been identified by the Company. Proceeds have been used as intended to date and to finance the Company's operations while meeting administrative requirements.

Private Placement – Nov 2024

Funds Raised	\$375,000
Stated purpose in news release	Business development and general working capital
Actual Use	The funds have been spent on acquisition of inventory, financing receivables, and general operating costs
Variances and impact of variances	No material variances have been identified by the Company. Proceeds have been used as intended to date and to finance the Company's operations while meeting administrative requirements.

Private Placement – January 2025

Funds Raised	\$1,649,011
Stated purpose in news release	Business development and general working capital
Actual Use	The funds have been spent on acquisition of marketable securities, operating expenses and general working capital purposes
Variances and impact of variances	No material variances have been identified by the Company. Proceeds have been used as intended to date and to finance the Company's operations while meeting administrative requirements.

Officers and Directors as of the date of the MD&A

Directors	Senior Officers	Position
Brayden Sutton	Brayden Sutton	Chief Executive Officer
Thomas Joshua Taylor	Thomas Joshua Taylor	President
Alyssa Barry	Lachlan McLeod	Chief Financial Officer and Corporate Secretary
Ken Osborne		