

SIXTY SIX CAPITAL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED JUNE 30, 2025

This discussion and analysis of financial position and results of operation is prepared as at August 28, 2025 and should be read in conjunction with the unaudited financial statements and the accompanying notes for the quarter ended June 30, 2025 and 2024 of Sixty Six Capital Inc. ("Six" or the "Company"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management's discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward Looking Statements

This MD&A 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 and other factors of which are beyond the reasonable control of the Company. Such statements 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, assumptions about economics and competition surrounding the services provided by the Company, 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 such matters as continued availability of capital and financing and general economic, market or business conditions. Although the Company has 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.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedarplus.ca and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Company Overview

The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia and trades on the Canadian Securities Exchange ("CSE") under the symbol "SIX" and on the OTCQB under the symbol "HYHDF". The Company's registered office is located at #600 - 890 Pender Street West, Vancouver, BC V6C 1J9, Canada.

The Company is currently an investor and developer active in Fin Tech. As at June 30 2025 the Company's investment portfolio, consisted of 901,000 units of the Purpose Bitcoin CAD ETF (BTCC.B), equivalent to 126.8 BTC and 483,335 \$STABUL Tokens owned or due at June 30 2025 including tokens acquired via a Simple Agreement for Future Tokens (SAFT) in Stabull.finance, a decentralised swap facility. <https://stabull.finance>. The Company continues to review business and investment opportunities within the Fin Tech space, including investing in cryptocurrencies.

Investments

	As at June 30, 2025 – calculations for Fiscal 2025			
	Number	Cost \$	Unrealized (Loss) Gain \$	Carrying Value \$
Purpose Bitcoin ETF CAD Non-Currency Hedged Units BTCC.B CAD\$	901,000	6,929,420	11,707,108	18,636,528.
Stabul_USDT	78,573	35,540	10,117	45,657
Stabul Vested Tokens	134,907	253,614	(168,935)	84,679
Deposit - Stabull.Finance	269,855	507,304	-	507,304
		<u>7,725,878</u>	<u>11,548,290</u>	<u>19,274,168</u>

	As at June 30, 2024			
	Number	Cost \$	Unrealized (Loss) Gain \$	Carrying Value \$
Purpose Bitcoin US Cash Fund ETF (BTCC.B)	13,067	1,810,499	(20,383)	1,790,116
Purpose ETF	775,000	4,905,072	4,185,678	9,090,750
Purpose Ethereum ETF (ET)	90,000	1,504,000	(69,400)	1,434,600
Stabull.Finance	290,476	540,484	-	540,484
		<u>8,760,055</u>	<u>4,095,895</u>	<u>12,855,950</u>

- (a) The Company entered into a SAFT (simple agreement for future tokens) with Stabull.Finance to acquire a total of 290,476 \$STABUL tokens. The Company entered into a second SAFT with Stabul.Finance to acquire an additional 114,285.71 \$STABUL tokens.

On May 19 2025 the Stabul Token Generation event occurred with tokens listed on Probit Global for Trading. 134,907 \$STABUL tokens were received by Sixty-Six Capital Inc on May 19 2025. The remaining tokens expected from Stabul Finance will be received monthly over a two-year vesting period.

The Company also began trading in the open market and acquired additional \$STABUL tokens in the open market.

- (b) During the month of June 2025 Sixty Six Capital Inc disposed of 90,000 shares in the Purpose ETH ETF (ETTH.B) for CAD 1,002,100 and 13,067 shares in the Purpose USD Cash ETF (PSU.U) for USD 1,310,750.77 and acquired 226,000 shares of Purpose Bitcoin ETF (BTCC.B) for CAD 4,621,170. As at June 30, 2025 the Company holds 901,000 units of the Purpose Bitcoin CAD ETF (BTCC.B), equivalent to 126.8 BTC. The Company will convert this to bitcoin as soon as reasonably possible..

Selected Financial Data

The following selected financial information is derived from the unaudited condensed interim financial statements of the Company.

Three Months Ended	Fiscal 2025		Fiscal 2024				Fiscal 2023	
	Jun 30 2025 \$	Mar 31 2025 \$	Dec 31 2024 \$	Sept 30 2024 \$	Jun 30 2024 \$	Mar 31 2024 \$	Dec 31 2023 \$	Sept 30 2023 \$
Operations:								
Expenses	(731,887)	(50,656)	(286,085)	(68,754)	(125,473)	(66,944)	(59,676)	(36,431)
Other items	2,511,829	(2,296,731)	5,730,496	(109,257)	(2,021,702)	4,309,023	1,994,522	143,840
Net income	1,779,943	(2,347,387)	5,444,411	(178,012)	(2,147,175)	4,239,079	1,934,846	107,409

Three Months Ended	Fiscal 2025		Fiscal 2024				Fiscal 2023	
	Jun 30 2025 \$	Mar 31 2025 \$	Dec 31 2024 \$	Sept 30 2024 \$	Jun 30 2024 \$	Mar 31 2024 \$	Dec 31 2023 \$	Sept 30 2023 \$
(loss) and comprehensive income (loss)								
Basic and diluted income (loss) per share	0.01	(0.02)	0.04	0.00	(0.02)	0.03	0.02	0.00
Balance Sheet:								
Working capital (deficit)	17,377,736	10,429,281	12,776,669	12,709,583	13,125,999	14,983,549	11,020,139	9,818,999
Total assets	19,795,352	16,725,199	19,305,612	13,233,285	13,278,563	15,430,421	12,074,053	10,846,648
Total non-current liabilities	(16,932)	(457,721)	(457,721)	(5,572,307)	(5,810,710)	(5,964,702)	(5,845,499)	(6,746,925)

Results of Operations

Three Months Ended June 30, 2025, Compared to Three Months Ended March 31, 2025

During the three months ended June 30, 2025 (“Q2”) the Company reported net income of \$1,971,301 compared to net loss of (\$2,347,387) for the three months ended March 31, 2025 (“Q1”), a fluctuation of \$4,318,688. The fluctuation is primarily due to:

- (i) the share based compensation expense of \$648,745 that was recorded during Q2; and
- (ii) recognition of an unrealized gain due to the changes in the quoted stock prices on the Company’s investments.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

During the six months ended June 30, 2025 (“Q2/2025”) the Company reported a net loss of (\$376,086) compared to a net incomes of \$2,091,904 for the six months ended June 30, 2024 (“Q2/2024”), a fluctuation of \$2,467,990. The fluctuation is primarily due to:

- (i) the recognition of an unrealized gain due to the changes in the quoted stock prices on the Company’s investments of \$1,082,268 during the six month period in 2025 compared to \$16,292,471 during the six month period in 2024.
- (ii) recognition of a realized loss of \$528,385 on sale of investment securities during the six month period in 2025 compared to a realized loss of \$13,779,118 during the six month period in 2024.
- (iii) during the six month period ended on June 30, 2025 the Company incurred director and officer compensation of \$50,000 compared to \$48,500 incurred during the 2024 six month period.
- (iv) During the six month ended on June 30, 2025 the Company recorded share based compensation expense of \$648,728 for share options that were granted during the six month period ended on June 30, 2025 compared to share based compensation expense of \$48,745 for share options that were granted during the six month period ended on June 30, 2024.

Financing Activities

On 30 June 2025 the company utilised a CAD\$2,000,000 margin facility at an interest rate of 5.95% per annum, to purchase the Purpose Bitcoin ETF (BTCC.B). There were no financing activities conducted by the Company during fiscal 2024 or during Q1 2025

Convertible Debentures

The Company received a number of loans and issued convertible debentures which bear interest at 10% per annum and are repayable between December 2023 and August 2027. On June 23 2025, the company converted

CAD\$3,589,399.75 of convertible notes to equity at CAD\$0.06 per share, issuing a total of 59,823,328 new shares to convertible note holders and repaying in cash CAD\$1,440,784.42 of convertible notes to Mr David Rowe shareholder and CEO of the Company. Following the conversion and repayment a notional of CAD\$600,000 plus accrued interest of the 10% convertible notes remains outstanding.

During six month ended June 30, 2025 the Company recognized \$226,730 (2024 - \$238,404) of interest expense.

The amount of the loans, at the option of each lender, may be convertible into common shares of the Company at the market price at time of such conversion in accordance with the policies of and subject to acceptance by the CSE.

Financial Condition / Capital Resources

As at June 30, 2025 the Company had working capital of \$16,310,252 and an accumulated deficit of \$17,876,609. The Board added to the company's holdings of Crypto ETF's (BTCC.B & ETHH.B) based on a bullish view of regulation in the US, continued cyclical momentum and anticipation of price improvement in BTC and ETH during 2025.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Financial Instruments and Risk Management

General Objectives, Policies and Processes

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below. The Board reviews its monthly reports through which it assesses the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors.

Categories of Financial Assets and Liabilities

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- (i) Cash
- (ii) Investments
- (iii) Accounts payable and accrued liabilities
- (v) Convertible debentures

Book values and expected cash flows are reviewed by the Board and any impairment charged to the condensed interim statement of comprehensive income (loss) in the relevant period.

The fair value of the investment in equity security is measured based on level 1 at the quoted market price of the related common shares at each reporting date, and changes in fair value are recognized in comprehensive income (loss).

Accounts payable and accrued liabilities are measured at book value. The book value of financial assets and liabilities equates to their fair value.

Accounts payable and accrued liabilities principally comprise amounts outstanding for trade purchases and ongoing costs.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

	As at June 30, 2025			
	Current		Non-Current	
	Within 6 Months \$	6-12 Months \$	1 - 5 Years \$	Over 5 Years \$
Accounts payables and accrued liabilities	42,550	-	-	-
Convertible debentures	267,689	600,000	16,932	-
Total	310,239	600,000	16,932	-

	As at December 31, 2024			
	Current		Non-Current	
	Within 6 Months \$	6-12 Months \$	1 - 5 Years \$	Over 5 Years \$
Accounts payables and accrued liabilities	60,793	-	-	-
Convertible debentures	939,168	4,768,063	457,721	-
Total	999,961	4,768,063	457,721	-

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

Cash and Cash Equivalents

Cash and cash equivalents are currently held in Canadian Dollars (\$) and United States Dollars ("USD") and placed on deposit in Canadian banks.

Risk Exposures

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables. The credit risk in respect of cash balances held with banks is remote as they are held only with major reputable financial institutions. The Company is mainly exposed to credit risk from credit sales.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations.

Short-term liquidity risk arises from the Company's management of working capital. It is the risk that the Company

will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least 30 days.

Longer-term liquidity risk is the ability of the Company to continue as a going concern. This risk is managed by the preparation by the Directors of cash flow forecasts and the strict management of expenditure.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) **Interest Rate Risk**

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) **Foreign Currency Risk**

The Company's functional currency is the Canadian dollar and major transactions are transacted in Canadian Dollars and US Dollars. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At June 30, 2025 1 Canadian Dollar was equal to 0.73 US Dollar.

The only foreign currency assets at June 30, 2025 were cash equivalent to CAD 9,415.08 held in a US dollar account at a Canadian bank.

(c) **Equity Price Risk**

The Company is currently not exposed to equity risk as it does not have any equity holdings

Changes in Accounting Policies

There are no changes in accounting policies. A detailed summary of the Company's material accounting policies is included in Note 3 of the audited financial statement for the fiscal year ended on December 31, 2024.

Related Party Disclosures

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and its executive officers.

(a) *Transactions with Key Management Personnel*

(i) During six month period ended on June 30, 2025 and 2024 the Company incurred the following compensation amounts to its key management personnel:

	2025 \$	2024 \$
David Rowe, Director, Chairman & CEO	18,000	18,000
Alex Johnstone, Director, CFO	20,000	18,500
Richard Croft, Director	<u>12,000</u>	<u>12,000</u>
	<u>50,000</u>	<u>48,500</u>

During the six month period ended on June 30, 2025 the Company granted 14,872,652 share options to key management personnel. The share options vest immediately and allow the holder to purchase common shares of the Company at an exercise price of \$0.05 for 6,419,003 share option that expire on May 13, 2028 and an exercise price of \$0.06 for 8,453,649 share options that expire on June 23, 2030. The Company recorded \$648,728 as share based compensation in relation to the granting of these share options.

(b) *Convertible Debentures*

The Company received a number of loans and issued convertible debentures which bear interest at 10% per annum and are repayable between December 2023 and August 2027. On June 23 2025, the Company converted CAD\$3,589,399.75 of convertible notes to equity at CAD\$0.06 per share, issuing a total of 59,823,328 new shares to convertible note holders and repaying in cash CAD\$1,440,784.42 of convertible notes to Mr David Rowe shareholder and CEO of the Company. Following the conversion and repayment a notional of CAD\$600,000 plus accrued interest of the 10% convertible notes remains outstanding.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at August 17, 2025 there were 232,228,827 issued and outstanding common shares and 20,764,469 share options outstanding, exercisable at prices \$0.05 per share for 12,310,820 share options and exercisable at prices of \$0.06 per share for 8,453,649 share options.

Post Balance Sheet Events

The non-brokered private placement, announced on 25th June 2025, closed on 22nd July 2025. The Company raised gross proceeds of CAD\$ 3,4471,775.40 through the issuance of 24,584,110 common shares at CAD\$ 0.14 per share.