

Goldmoney®

Management Discussion & Analysis

For the Three and Nine Month Periods Ended

December 31, 2022

Introduction

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of the operations of Goldmoney Inc. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine month periods ended December 31, 2022. This discussion should be read in conjunction with the unaudited condensed consolidated interim financial statements as of December 31, 2022 and December 31, 2021, together with the notes thereto (the "Financial Statements"). This MD&A is dated as of February 7, 2023, unless otherwise indicated.

Unless otherwise indicated and as hereinafter provided, all financial information contained in this MD&A, the Financial Statements, and the Company's Annual Financial Statements, as at and for the years ending March 31, 2022 and March 31, 2021, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All monetary amounts in this MD&A are expressed in Canadian dollars, unless otherwise noted. Unless otherwise noted or the context indicates otherwise "we", "us", "our", or the "Company" refer to Goldmoney Inc. and its direct and indirect subsidiaries.

Accounting policies are consistently applied to all periods presented except commencing with the second quarter of fiscal 2023, the Company has re-presented certain revenue items in order to provide more relevant and transparent presentation related to trading revenue, fee revenue and interest income. Revenue of comparative periods has also been re-presented in the same manner. There is no impact to net income (loss) or the consolidated statements of financial position related to the presentation change.

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws. You should carefully read "Cautionary Note Regarding Forward-looking Information" in this MD&A and should not place undue reliance on any such forward-looking statements.

Use of Non-IFRS Financial Measures

Throughout this document, references are made to certain financial measures that are not measures of performance under IFRS to provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business. These Non-IFRS measures include net operating income excluding revaluation of precious metals, cash from operating activities excluding precious metals, Non-IFRS Adjusted Gain (Loss), Tangible Capital and Non-IFRS Liquidity Position. These measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. They are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective and should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS.

Non-IFRS financial measures used in this MD&A are defined and reconciled to their most directly comparable IFRS measure in "Reconciliation of Non-IFRS Financial Measures".

Cautionary Note Regarding Forward-Looking Information

This MD&A contains or refers to certain forward-looking information. Forward-looking information can often be identified by forward-looking words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “may”, “potential” and “will” or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. All information other than information regarding historical fact, which addresses activities, events, or developments that the Company believes, expects or anticipates will or may occur in the future, is forward-looking information. Forward-looking information does not constitute historical fact but reflects the current expectations the Company regarding future results or events based on information that is currently available. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not occur. Such forward-looking information in this MD&A speak only as of the date of this MD&A. Forward-looking information in this MD&A includes, but is not limited to, statements with respect to:

- our ability to develop and sell new products and services that meet the needs of our customers and gain commercial acceptance.
- our ability to continue to sell products and services in the expected quantities at the expected prices and expected times.
- expected cost of goods sold.
- our ability to grow the Company’s business and operations.
- the performance of the Company’s business and operations.
- the market for the Company’s products and services and competitive conditions.
- pricing and revenue models.
- future liquidity and financial capacity.
- our ability to integrate acquired businesses and realize expected benefits.
- our ability to operate in certain markets.
- our ability to manage geopolitical tensions between nations.
- our ability to manage the impact of rising interest rates.
- our ability to monitor, assess and manage the impact of the COVID-19 pandemic.

With respect to the forward-looking information contained in this MD&A, the Company has made certain assumptions regarding, among other things: (i) cash flow from the Company's operations; (ii) general economic, financial market, regulatory and political conditions in which the Company operates; (iii) consumer interest in the Company's products; (iv) competition; (v) anticipated and unanticipated costs; (vi) government regulations applicable to the Company's business and operations, and its impacts thereon; (vii) the Company's ability to obtain qualified staff, equipment, and services in a timely and cost-efficient manner; (viii) the Company's ability to conduct operations in a safe, efficient and effective manner; (ix) the Company's ability to carry out its marketing plans and their effectiveness; (x) the efficacy of the Company's security measures; and (xi) the Company's product development plans and timeframes for completion. Although the Company believes that the assumptions inherent in any forward-looking information are reasonable, forward-looking information is not a guarantee of future events or performance. Our outlook is offered to provide information about current expectations for fiscal year 2023 and future periods. This information may not be appropriate for other purposes.

Risks and other factors that could cause actual results or events to differ materially than those expressed in forward-looking information include, but are not limited to, the risks discussed in the section entitled "Risks and Uncertainties" and elsewhere in this MD&A, and in materials that we from time-to-time file with, or furnish to, the Canadian securities regulatory authorities. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake any obligation to update or revise any forward-looking information, except as required by law.

Our Business Strategy

Goldmoney is a precious metal focused financial services company. Through our subsidiaries, we engage in precious metal bullion trading, custody and storage, and jewelry manufacturing. We safeguard over \$2.1 billion of precious metal and fiat currency assets for clients in over 100 countries.

Our Main Business Lines

Goldmoney.com

Goldmoney.com provides clients with a secure platform to purchase, sell, and store precious metal bullion. Precious metal owned by our clients and managed through the Goldmoney Holding is fully allocated, segregated, insured, and physically stored at our network of non-bank vaults.

SchiffGold.com

Schiff Gold LLC is a wholly owned United States-based dealer in precious metals which offers the purchase and sale of physical precious metals in the form of bars, coins, and wafers with direct-to-customer delivery.

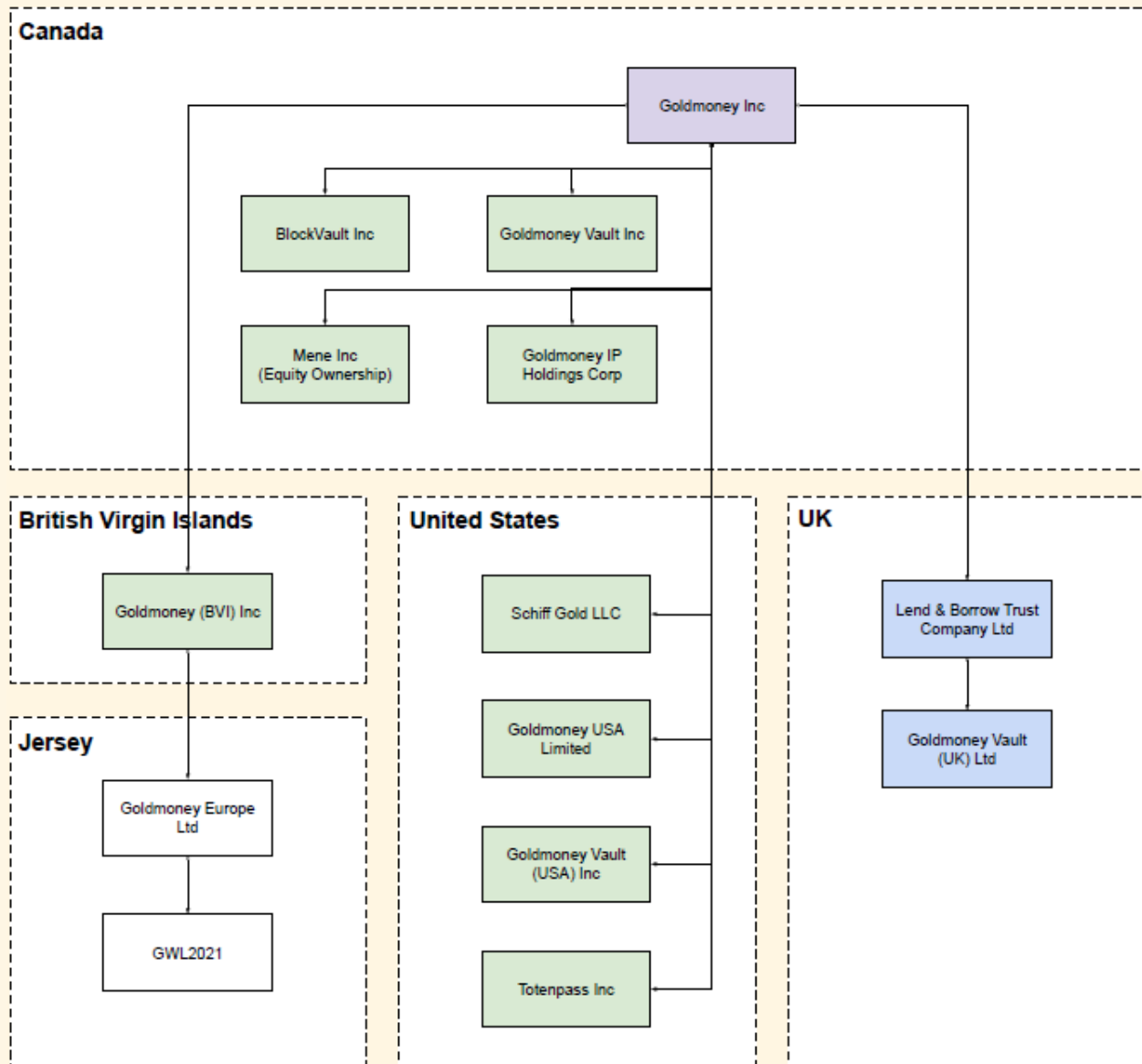
Menē Inc. (TSXV: MENE) (36.10% Ownership)

Menē crafts pure 24 karat gold and platinum jewelry that is transparently sold by gram weight. Through Mene.com, customers can buy jewelry, monitor the value of their collection over time, and sell or exchange their pieces by gram weight at prevailing market prices.

Other Business and Investing Activities

Goldmoney maintains significant liquid assets that are available to invest in new ventures from time to time focused on the real economy. Our goal is to generate long-term returns on our balance sheet tangible capital.

Corporate Organization Chart



Third Quarter Fiscal 2023 Highlights

- Trading Revenue of \$56.5 million, Fee Revenue of \$3.9 million, and Net Operating Income of \$11.9 million.
- Tangible Capital of \$143.1 million, an increase of \$8.3 million or 6% from March 31, 2022, primarily driven from strong net operating income, partially offset by \$2.6 million in share repurchases.
- Tangible Capital per Share of \$1.93, as compared to \$1.78 from March 31, 2022.
- Precious Metal position consisting of Coins, Bullion, and Bullion Denominated Loan of \$71.3 million as of December 31, 2022, an increase of 9% over March 31, 2022.
- Repurchased a total of 417,200 shares at an average purchase price of \$1.75 during the quarter, reducing the share count by 0.6%.
- Menē Inc. reported results for the quarter ended September 30, 2022 generating \$5.0 million in Revenue and \$1.1 million in Gross Profit.

Goldmoney.com Precious Metal Platform

Goldmoney.com is an e-commerce platform that enables eligible clients to purchase, hold or take delivery, sell, and exchange into other precious metals a weight of physical gold, silver, platinum, and palladium. Precious metals acquired by Goldmoney clients are allocated to each client on the Company's records, recorded in the client's Holdings, and stored in the client's choice of one or more of thirteen high security bullion vaults operated by professional vaulting companies independent of Goldmoney. Goldmoney acts as an agent for the client, who always retains title to the metal they own.

All precious metals are stored on an allocated and segregated basis, are insured, and are physically available for delivery to customers at the vault where they are stored or for transport to other locations upon the client's instructions.

Goldmoney safeguards over \$2.1 billion in client assets in what is called a "Holding" of each client, to purposefully distinguish client owned assets. These assets are not held in accounts and are therefore not recorded as a liability on Goldmoney's balance sheet. Further, physical precious metals acquired by clients are not securities, shares, units, contracts for differences, futures, or derivatives. There is no margin, credit, or extension of working capital granted in the purchase of precious metals. A client must always first fund their Holding with funds cleared by our partner banks before the client can make a purchase. All precious metals are stored on a 100%-

reserved basis with a specified weight of physical metal corresponding to the weight of metal owned by each individual client.

Each Holding, which is accessed online has the following features:

- Buy, sell, and hold or take delivery of physical gold, silver, platinum, and palladium bullion
- Fully reserved accounts with reconciled (one-to-one) metal ownership
- Store bullion bars and coins at vaults, or in a selection of coins and bars that can be shipped to clients
- Transact in any of nine fiat currencies
- Arrange for storage at multiple insured vaults around the world
- Comprehensive reporting
- Competitive dealing, storage, and delivery fees

Client precious metals are stored in 13 vaults in 7 countries worldwide that are operated by The Brink's Company (NYSE: BCO), Loomis International (NASDAQ OMX: LOOM), Malca-Amit, The Royal Canadian Mint, and Rhenus Logistics.

The company conducts its precious metal business and arrangement of storage and delivery activity through the following entities:

- Goldmoney Vault Inc. (Canada) – maintains client agreements and related records and provides market-related quotes to enable clients to buy and sell precious metals and, as an agent for clients, contracts with independent non-bank precious metal vault custodians in seven countries to provide insured physical storage of gold under LBMA and/or COMEX standards Goldmoney Vault Inc. currently maintains contracts with The Brink's Company (NYSE: BCO), Loomis International (NASDAQ OMX: LOOM), Malca-Amit, The Royal Canadian Mint, and Rhenus Logistics. Goldmoney Vault Inc. is a reporting entity to FINTRAC.
- Goldmoney Vault (UK) Limited - maintains client agreements and assists with servicing clients on behalf of the Canadian based operations.

SchiffGold.com

Schiff Gold is a private dealer in precious metals based in the U.S. generating revenue and net income through the sale of physical precious metal coins and bars sold direct-to-consumer.

Schiff Gold clients may also choose to store gold and silver bars they purchase in one or more high security vaults.

While the Company owns 100% of Schiff Gold LLC, pursuant to the original acquisition agreement, Euro Pacific Asset Management, LLC (a separate entity wholly owned by Peter Schiff) receives 50% of the distributable income of Schiff Gold LLC every quarter, with a minimum term of twenty years beginning on the November 14, 2016, acquisition date.

Menē Inc. (TSXV: MENE) (36.10% Ownership)

Menē designs, manufactures, and offers 24-karat gold and platinum jewelry through a transparent pricing and e-commerce platform. Menē jewelry is priced and sold by gram weight, offering a direct link between jewelry and savings. Through mene.com, customers buy, sell and exchange jewelry at prevailing market prices for gold and platinum, plus a transparent design and manufacturing premium of 20-40%.

Menē differentiates itself through its 24-karat jewelry. Other vendors offer man-made chemical alloys (14-18 karats) that do not exhibit the natural properties of gold and platinum. Unlike pure gold and platinum, man-made alloys may tarnish over time.

Menē was originally founded as an exploratory venture within Goldmoney Inc. Menē's subordinate voting shares (the "Class B Shares") are traded on the TSXV under the symbol "MENE".

Menē Inc. has a dual class voting structure with non-listed Class A shares carrying 20 votes per share and TSXV listed Class B Shares carrying 1 vote per share. Goldmoney presently owns 12,259,002 Menē Class A Shares, representing 4.72% of the then issued and outstanding voting Shares, and 81,508,947 Menē Class B Shares, representing 31.38% of the then issued and outstanding Menē Shares.

Other Business Activities and Investments

The company manages its working capital, conducts investment activities, and licenses technology through wholly owned Special Purpose Vehicles (“SPV’s”).

- Goldmoney IP Holdings Corp. (Canada) - is the SPV which owns the BitGold intellectual property which is licensed to the various Goldmoney.com entities.
- Goldmoney (BVI) Inc. (British Virgin Islands) - is the SPV which owns the Goldmoney Software Platform and all associated intellectual property licensed to the various Goldmoney.com Holding Platform entities.
- Totenpass Inc. (60% Ownership) – Totenpass is an exploratory venture that has developed a permanent physical storage drive that is constructed from pure gold and nickel.

Company Formation

- The Company was incorporated on August 14, 2014, and organized under the federal laws of Canada.
- On May 13, 2015, the Company commenced trading on the TSX Venture Exchange (“TSX-V”) under the trading symbol XAU.
- On July 22, 2015, the Company acquired Goldmoney Network Ltd., which commenced operations in February 2001.
- On April 21, 2016, the Company graduated from the TSX-V to the Toronto Stock Exchange (“TSX”).
- On November 14, 2016, the Company acquired Schiff Gold, which commenced operations in 2010.
- On June 15, 2017, the Company announced its investment and supply agreement with Menē Inc., a 24-karat jewelry brand which was formed as an exploratory venture within Goldmoney Inc.
- On June 20, 2017, the Company combined new product and service offerings under a unified Goldmoney.com, discontinuing new account opening on the Goldmoney Network platform.

- On November 1, 2018, Mene was spun-out of Goldmoney Inc. with the company's subordinate voting shares listed on the TSX Venture Exchange on November 6, 2018. Effective November 1, 2018, Mene is no longer consolidated under Goldmoney Inc., and is reported as an investment associate.
- On October 11, 2019, the Company announced that it has completed its continuation out of the federal jurisdiction of the Canada Business Corporations Act and into the provincial jurisdiction of the Business Corporations Act (British Columbia), as approved by shareholders of the Company on December 31, 2019.
- In January 2021, the Company committed to a plan to restructure and streamline its operations by consolidating its Goldmoney.com precious metal trading activities by transferring and combining the Jersey operations with its Canadian and United Kingdom operations.

The group's corporate headquarters is located at: 334 Adelaide Street West 3rd Floor, in Toronto, Ontario, Canada. Goldmoney.com also operates a software and technology development office in Milan, Italy and a UK office in Cornwall, UK. Schiff Gold maintains an office at 152 Madison Avenue in Manhattan, New York, USA.

Key Events

Annual and Special Meetings of Shareholders

On September 7, 2022, the Company held its annual and special meetings of shareholders in Toronto. Five directors were elected to the Company for the ensuing year by a vote by way of verbal affirmation. Shareholders passed an ordinary resolution approving the unallocated entitlements under the Corporation's stock option and RSU plans for the ensuing three years, and also voted in favor of reappointing KPMG LLP, Chartered Accountants, as auditors of the Company for the ensuing year and authorized the directors to fix their remuneration.

Financial Performance

During the three-month period ended December 31, 2022, the Company realized net and comprehensive income of \$10.5 million, a \$7.8 million increase over Q3 2022. The increase is attributed to higher precious metal revaluation gains, fee revenue and interest income.

During the nine-month period ended December 31, 2022, the Company realized net and comprehensive income of \$10.2 million, a \$9.8 million increase over the same prior year period. The increase is driven by higher precious metal revaluation gains, higher fee revenue, higher interest revenue and lower operating expenses.

The Company benefitted from robust precious metal revaluation gains in Q3 2023, resulting in net year-to-date gains, offsetting revaluation losses in the first six months of FY 2023. Management believes that the Company is benefitting from prudent capital and operational discipline.

In addition to the Company's capital and operational discipline, when assessing the Company's operational performance, management would like to highlight that:

- The Company generated gross margin of \$21.9 million for the nine months ended December 31, 2022, an increase of \$7.8 million over the same prior year period.
- The Company has prepared for the current macroeconomic environment and higher interest rates by maintaining a disciplined operational strategy that maximizes free cash flow generation.

Management believes the following non-IFRS measures offer further insight in assessing the Company's operational performance:

- The non-IFRS "Net operating income excluding revaluation of precious metals" metric better illustrates the Company's operational performance by excluding precious metal revaluation fluctuations. Net operating income when excluding precious metal revaluation gains totaled \$3.7 million and \$11.9 million for the three and nine month periods ended December 31, 2022; and
- The "Non-IFRS Adjusted Gain (Loss)" metric which excludes goodwill and intangible asset impairment, stock-based compensation, depreciation, and foreign exchange fluctuations to provide insight into the performance of the Company's operational performance. When factoring the above non-cash and foreign exchange items, the Company recorded Non-IFRS Adjusted Gain of \$3.1 million and \$12.2 million for the three and nine month periods ended December 31, 2022.

Summary of Quarterly Results

The following table presents a summary of our consolidated operating results for the past eight quarters:

(\$000s, except earnings per share)	2023			2022				2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Trading Revenue	56,531	60,645	73,460	119,456	67,071	69,013	94,706	139,709
Fee revenue	3,911	4,492	4,471	3,826	1,544	1,585	1,412	1,844
Interest income	553	369	164	99	85	100	103	211
Gross margin	6,821	7,485	7,609	7,815	4,107	4,530	5,492	4,508
Operating income	15,058	6,728	2,103	10,277	5,763	1,661	6,167	2,146
Total operating expenses ⁽¹⁾	(3,170)	(2,683)	(4,159)	(17,129)	(3,083)	(6,471)	(3,717)	(8,815)
Net income (loss)	10,475	4,015	(4,394)	(6,350)	2,620	(3,284)	951	(5,947)
Total comprehensive income (loss)	10,455	4,069	(4,373)	(6,373)	2,616	(2,898)	636	(6,127)
Basic earnings (loss) per share	0.14	0.05	(0.06)	(0.08)	0.03	(0.04)	0.01	(0.08)
Diluted earnings (loss) per share	0.14	0.05	(0.06)	(0.08)	0.03	(0.04)	0.01	(0.08)
Non-IFRS Adjusted Gain (Loss) ⁽²⁾	3,127	4,639	4,416	4,883	1,668	(635)	1,326	358

Notes:

- (1) Q3 2023 Operating expenses include non-cash items, of which includes \$0.1 million in stock-based compensation, \$0.2 million in depreciation and amortization and \$47 thousand foreign exchange loss.
- (2) Non-IFRS Adjusted gain is defined as total comprehensive income of \$10.5 million in Q3 2023, adjusted for \$8.2 million gain on revaluation of precious metals, \$0.1 million in non-cash stock-based compensation, \$0.2 million in depreciation and amortization, \$0.5 million unrealized loss on investments, foreign exchange loss of \$47 thousand and \$20 thousand foreign exchange currency translation loss. See the Non-IFRS Adjusted Gain/(Loss) section to see management's analysis of this Non-IFRS measure.

The Company benefitted from increased precious metal demand in fiscal year 2021 as investors invested in less risky asset classes during the initial onset of the COVID-19 pandemic.

Precious metal demand decreased to normalized levels in fiscal year 2022 as investors re-shifted to riskier asset classes. Demand remained tepid in FY 2023 as investors navigated a market environment of higher interest rates, lower equity prices, increased recessionary risk and increased demand for the US dollar. Precious metal prices increased in Q3 2023, offsetting price decreases in early FY 2023.

Notwithstanding the current market environment, management believes that inflation risk is materializing through higher inflation rates reported by government authorities in the latter half of FY 2022 and FY 2023. These ongoing macroeconomic trends are expected to benefit the core Goldmoney.com business as investors seek to protect their purchasing power from inflationary risks.

Fee revenue increased over the last four quarters from the implementation of minimum monthly fees and inactive charges. Fee revenue remained strong in FY 2023 as the Company benefitted from these initiatives. Fee revenue also reflects arbitrage opportunities with physical metal that arise in bullion markets from time to time.

Operating expenses have decreased to normalized levels in FY 2023, with Q1 2023 marginally higher due to annual bonus compensation and higher depreciation from the write-down of leasehold improvements.

Operating costs increased temporarily in Q4 2021 and Q2 2022 from non-recurring costs related to the restructuring and migration of the Company's Jersey operations and impairment in investment in subsidiary. Operating expenses also increased above normal expenses levels in Q4 2022 from the non-cash goodwill impairment provision. The goodwill impairment provision has limited effect on the Company's operations. The Company remains committed to controlling its costs, with the above mentioned increases attributed to non-recurring restructuring costs and non-cash intangible write-downs.

Management expects operating costs to remain lower as the Company benefits from cost saving initiatives and savings associated with the Jersey restructuring.

The Company attained Tangible Capital (see Capital Resources section) of \$143.1 million as compared to \$134.8 million on March 31, 2022, a 6% increase. The increase is primarily driven by strong comprehensive income, partially offset by common share repurchases.

The Company continues to focus on generating prudent returns on its tangible equity capital while growing its balance sheet precious metal position over time.

Operational Results

In this MD&A, we discuss our results of operations on both an IFRS and non-IFRS basis. We discuss our consolidated results from continuing operations on an IFRS basis, as reported in our consolidated income statement, and on a non-IFRS basis using the measures described in the "Use of Non-IFRS Financial Measures" section of this MD&A.

We further discuss the performance of Goldmoney.com and Schiff Gold independently to provide investors with clear insight into the growth and profitability of these operations.

Consolidated Financial Results

(expressed in \$000s)	Q3 2023	Q3 2022	\$ Change	% Change	FY 2023	FY 2022	\$ Change	% Change
<i>IFRS Consolidated Income Statement Data</i>								
Trading revenue	56,531	67,071	(10,540)	(16%)	190,636	230,790	(40,154)	(17%)
Fee revenue	3,911	1,544	2,367	153%	12,874	4,541	8,334	184%
Interest income	553	85	468	550%	1,086	289	797	276%
Total revenue	60,995	68,700	(7,705)	(11%)	204,596	235,619	(31,024)	(13%)
Cost of sales on trading revenue	(54,174)	(64,593)	10,419	(16%)	(182,680)	(221,490)	38,810	(18%)
Gross margin	6,821	4,107	2,714	66%	21,915	14,129	7,786	55%
Gain (loss) on revaluation of precious metals	8,237	1,656	6,581	397%	1,974	(538)	2,513	467%
Operating income	15,058	5,763	9,295	161%	23,890	13,591	10,299	76%
Total operating expenses	(3,170)	(3,083)	(87)	3%	(10,012)	(13,270)	3,259	(25%)
Net operating income	11,888	2,679	9,208	344%	13,878	320	13,558	4,236%
Total comprehensive income	10,455	2,616	7,838	300%	10,151	355	9,797	2,763%
<i>Non-IFRS Measures: ⁽¹⁾</i>								
Net operating income excluding revaluation of precious metals	3,651	1,024	2,627	257%	11,903	859	11,045	1,287%
Non-IFRS Adjusted Gain (Loss)	3,127	1,668	1,459	87%	12,182	2,359	9,823	416%

Notes:

(1) See "Use of Non-IFRS Financial Measures" and "Reconciliation of Non-IFRS Financial Measures".

Trading revenue

The Company recorded precious metal trading revenues of \$56.5 million in Q3 2023, a \$10.5 million or 16% decrease when compared to the same prior year quarter.

The Company realized trading revenues of \$190.6 million for the nine month period ended December 31, 2022, a \$40.2 million or 17% decrease when compared to the same prior year period.

The decrease in precious metal demand is primarily attributable to the current financial market environment with lower financial asset prices, higher interest rates and higher recessionary risk. The increased inflationary risk is materializing with inflation of 8.5% and 9.1% reported in Canada and the United States during FY 2023. Notwithstanding that inflation rates have decreased to the mid 6% range in Q3 2023, inflation rates are expected to remain at above average levels for the indefinite future.

The Company's operations are primarily derived from its Goldmoney.com or metal bullion operations, and Schiff Gold or metal coin operations. The precious metal bullion operations decreased \$6.2 million and the metal coin operations decreased \$4.3 million when compared to Q3 2022.

Fee revenue

The Company generates fee revenue primarily from arranging the storage of precious metals on the Goldmoney.com platform. The Company also earns fee revenue from bar registration services, inactive fees and other charges.

Fee revenue increased \$2.4 million or 153% to \$3.9 million quarter-over-quarter, and \$8.3 million or 184% to \$12.9 million year-over-year. The increase in fee revenue is attributed to the implementation of the revised fee structure and initiatives to capitalize on arbitrage opportunities.

Interest income

The Company generated interest income throughout the quarter from interest of 3% on the Menē metal loan, 3% on an employee loan, short term GICs with rates varying from 0.15% to 5% and interest on bank deposits.

Interest revenue increased \$0.5 million or 550% to \$0.6 million quarter-over-quarter, and \$0.8 million or 276% to \$1.1 million year-over-year. The increase is attributable to higher interest rates and the increased purchase of GICs and term deposits.

Total Revenue

Total revenue is calculated as the total of trading revenue, fee revenue and interest income. Total revenue decreased \$7.7 million quarter-over-quarter and \$31 million year-over-year due to lower trading revenue. The decrease in trading revenue is partially offset with higher fee revenue and higher interest income.

Cost of sales

Cost of sales is measured at the fair value of the precious metals and coins sold. Increases and decreases in cost of sales consistently correlate with increases and decreases in trading revenue.

Gross margin

Gross margin equals total revenue less the cost of acquiring precious metals (cost of sales) and sales of fiat currency for receipt of precious metals.

The Company's gross margin totalled \$6.8 million, a \$2.7 million or 66% increase when compared to Q3 2022, and \$21.9 million, a \$7.8 million or 55% increase year-over-year. Gross margin from precious metal bullion operations increased \$2.6 million and the precious coin group increased \$0.1 million when compared to Q3 2022.

The increases are attributable to higher fee revenue and higher interest revenue.

Gain (loss) on revaluation of precious metals

Unrealized gains and losses caused by fluctuations in the market prices of precious metals are reflected in the gain (loss) on revaluation of precious metal inventories.

The Company experienced revaluation gains of \$8.2 million and \$2.0 million in Q3 2023 and year-to-date, respectively for precious metal inventory. The company experienced a revaluation gain of \$1.7 million and revaluation loss \$0.5 million in the same prior year periods.

Precious metal revaluation gains and losses are primarily driven by changes to precious metal market prices. Precious metal prices increased in Q3 2023, reversing revaluation losses attributed to the first six months of FY 2023.

The Company believes that precious metal prices will increase long-term and has continued its strategy of increasing its metal balances accordingly.

Operating income

Operating income is the sum of gross margin and gain (loss) on revaluation of precious metals.

Operating income increased \$9.3 million or 161% to \$15.1 million quarter-over-quarter, and \$10.3 million or 76% to \$23.9 million year-to-date. The increases are primarily attributable to higher fee revenue, higher interest revenue, and revaluation gains on precious metals.

Total comprehensive income

The Company recorded Q3 2023 comprehensive income of \$10.5 million, a \$7.8 million increase quarter-over-quarter, and year-to-date comprehensive income of \$10.2 million, a \$9.8 million increase over the same prior year period.

The increases in comprehensive income are attributed to higher gross margin, lower operating expenses and precious metal revaluation gains in Q3 2023.

Net operating income excluding revaluation of precious metal

Net operating income excluding revaluation of precious metal is a non-IFRS measure, calculated as net operating income (loss) adjusted for gain (loss) on revaluation of precious metal inventories. Net operating income excluding revaluation of precious metal increased \$2.6 million quarter-over-quarter to \$3.7 million, and \$11 million year-to-date to \$11.9 million. The increases are attributed to higher gross margin and lower operating expenses.

A breakdown of this measure is included in the “Reconciliation of Non-IFRS Financial Measures” section.

Non-IFRS Adjusted Gain (Loss)

Non-IFRS Adjusted Gain (Loss) is a non-IFRS measure, defined as total comprehensive income (loss) adjusted for non-cash and non-core items which include, but is not limited to, impairment of goodwill and intangible assets, revaluation of precious metal, stock-based compensation, depreciation and amortization, foreign exchange fluctuations and gains and losses on investments.

Management believes that this measure provides a better indication of the Company’s results from its core operational activities as it excludes non-cash expenses and market fluctuations in precious metal prices and foreign exchange rates. A breakdown of this measure is included in the “Reconciliation of Non-IFRS Financial Measures” section.

The Company experienced Non-IFRS Adjusted gains of \$3.1 million, an increase of \$1.5 million or 87% when compared to Q3 2022, and \$12.2 million, an increase of \$9.8 million or 416% year-to-date.

The increases are attributed to favorable comprehensive income adjusted for non-cash and non-operating items, which include but is not limited to, impairment of goodwill and intangible assets, depreciation and amortization, stock-based compensation, revaluation of precious metals and foreign exchange gains (losses).

The Non-IFRS Adjusted Gain (Loss) reflects the Company's ability to generate gains from its core precious metal business activities.

Operating Expenses

(expressed in \$000s)	Q3 2023	Q3 2022	\$ Change	% Change	FY 2023	FY 2022	\$ Change	% Change
Operating Expenses								
Service provider fees	107	51	56	111%	382	417	(35)	(8%)
Advertising and promotion	771	636	135	21%	1,931	1,931	0	0%
Stock-based compensation	115	288	(173)	(60%)	448	1,256	(808)	(64%)
Payroll expenses	1,029	803	226	28%	3,681	3,506	176	5%
General and administrative	415	504	(89)	(18%)	1,155	3,533	(2,378)	(67%)
Professional fees	346	417	(70)	(17%)	1,505	1,570	(65)	(4%)
Foreign exchange (gain) / loss	47	13	34	256%	(563)	(339)	(223)	(66%)
Depreciation and amortization	205	266	(61)	(23%)	979	780	199	25%
Technology and development costs	135	107	29	27%	492	450	42	9%
Market and business development	-	-	-	n/a	-	166	(166)	(100%)
Total operating expenses	3,170	3,083	87	3%	10,012	13,270	(3,259)	(25%)

Operating expenses remained relatively flat when compared to Q3 2022, and decreased \$3.3 million or 25% when compared to the nine month period ended December 31, 2021. The decrease is primarily attributable to restructuring charges related to the Jersey operations in the prior year and lower current year share-based compensation.

Service provider fees

Service provider fees increased \$56 thousand or 111% quarter-over-quarter, and decreased \$35 thousand or 8% year-over-year. The quarter-over-quarter increase is attributed to higher precious metal service charges associated with typical business fluctuations. Precious metal services costs tend to increase and decrease with precious metal prices. Service provider fees are relatively flat when compared to the same prior year nine month period.

Advertising and promotion

Advertising and promotion expenses increased \$0.1 million or 21% quarter-over-quarter, and is flat year-over-year. The increase is due to higher promotion expenses and higher profit share expenses associated with Schiff Gold's operations. Profit share increased with higher net operating income when compared to the same prior year period.

An analysis of Schiff Gold's financial achievements is presented in the "Schiff Gold Financial Results" section of this MD&A.

Stock-based compensation

Stock-based compensation is intended to provide an incentive mechanism to foster the interest of these individuals in the long-term success of the Company.

Stock-based compensation expense decreased \$0.2 million or 60% quarter-over-quarter, and \$0.8 million or 64% year-over-year. The decreases are attributed to the fluctuations in the amounts and values of stock options and restricted stock units granted to directors, officers, employees and consultants. Stock-based compensation may fluctuate from year to year based on the combination of cash-based and share-based compensation.

Payroll expenses

Payroll expenses increased \$0.2 million or 28% quarter-over-quarter to \$1 million, and increased \$0.2 million or 5% year-over-year to \$3.7 million.

The quarter-over-quarter increase in payroll costs is attributed to increases to employee compensation and annual bonus compensation.

The year-over-year increase in payroll expenses is due to increases to employee compensation and annual bonus compensation, partially offset with cost savings associated with the restructuring of Jersey operations.

The increase in annual bonus compensation is offset by lower share-based compensation.

General and administrative

General and administrative expenses decreased \$0.1 million or 18% quarter-over-quarter to \$0.4 million, and \$2.4 million or 67% year-over-year to \$1.2 million. The year-to-date decrease is due primarily to charges relating to the restructuring and dissolution of the Jersey operations in the same prior year period. These charges are non-recurring and not applicable to the current fiscal year.

Professional fees

Professional fees decreased \$0.1 million or 17% quarter-over-quarter to \$0.3 million, and \$0.1 million or 4% year-over year to \$1.5 million.

The quarter-over-quarter decrease is a combination of lower audit and legal fees in the current period, and non-recurring prior year costs associated with the Jersey restructuring and termination of peer-to-peer operations. The savings were partially offset by the shifting of director compensation from share-based to cash-based settlement.

Year-to-date professional fees are relatively flat with decreases from cost saving initiatives and the Jersey restructuring offset by increases to director compensation and audit fee charges in the first half of FY 2023.

Foreign exchange gains and losses

The Company benefitted from foreign exchange gains of \$0.6 million for the nine month period ended December 31, 2022, a \$0.2 million or 66% increase when compared to the same prior year period. The foreign exchange gain is due primarily from increased demand for the US dollar, and the corresponding increase in value of US cash balances and marketable securities. The value of the US dollar increased significantly in Q2 2023.

Technology and development costs

Technology and development costs are relatively flat quarter-over-quarter and year-over-year.

Market and business development

Market and business development fees decreased \$0.2 million year-over-year to nil. The decrease is due to the Totenpass beta launch in October 2021. When products are brought to market, the ongoing expenses are re-classified from market and business development to traditional operational expense categories.

Management continues to evaluate new product lines and business expansion opportunities to promote Company growth and deliver returns to shareholders. Investments made in evaluating new products or business lines have been broken out from general and administrative expenditures to indicate the periodic costs related to these market and business development activities.

Goldmoney.com Financial Results

(expressed in \$000s)	Q3 2023	Q3 2022	\$ Change	% Change	FY 2023	FY 2022	\$ Change	% Change
<i>IFRS Measures</i>								
Trading revenue	14,048	20,259	(6,211)	(31%)	50,774	78,925	(28,152)	(36%)
Fee revenue	3,911	1,544	2,367	153%	12,874	4,363	8,511	195%
Interest income	553	85	468	550%	1,086	289	797	276%
Total revenue	18,512	21,888	(3,376)	(15%)	64,733	83,577	(18,844)	(23%)
Cost of sales on trading revenue	(12,719)	(18,693)	5,974	(32%)	(46,096)	(72,774)	26,678	(37%)
Gross margin	5,793	3,195	2,597	81%	18,637	10,803	7,834	73%
Gain (loss) on revaluation of precious metals	7,992	1,309	6,683	511%	1,975	(662)	2,637	398%
Operating income	13,785	4,504	9,280	206%	20,612	10,141	10,471	103%
Total operating expenses	(1,612)	(1,946)	334	(17%)	(3,784)	(7,457)	3,673	(49%)
Net operating income	12,173	2,558	9,614	376%	16,828	2,684	14,144	527%
<i>Non-IFRS Measures: ⁽¹⁾</i>								
Net operating income excluding revaluation of precious metals	4,181	1,250	2,931	235%	14,853	3,346	11,507	344%

Notes:

(1) See [“Use of Non-IFRS Financial Measures”](#) and [“Reconciliation of Non-IFRS Financial Measures”](#).

Goldmoney.com experienced net operating income of \$12.2 million, a \$9.6 million increase when compared to Q3 2022, and net operating income of \$16.8 million, an increase of \$14.1 million when compared to the nine month period ended December 31, 2021.

The increases in net operating income are driven by a combination of higher fee revenue, higher interest revenue and lower operating expenses. The year-to date decrease in operating expenses is attributable to favorable foreign exchange gains in the current year, and non-recurring Jersey restructuring costs recorded in the same prior year period.

The favorable operations were significantly impacted by the \$8 million precious metal revaluation gain in Q3 2023.

Goldmoney.com experienced net operating income excluding revaluation of precious metals of \$4.2 million, a \$2.9 million increase when compared to the same prior year quarter, and \$14.9 million, an \$11.5 million increase year-over-year. Management believes this non-IFRS measure more accurately reflects the Company’s performance from operations by excluding the effects of market price fluctuations on precious metal holdings.

Schiff Gold Financial Results

(expressed in \$000s)	Q3 2023	Q3 2022	\$ Change	% Change	FY 2023	FY 2022	\$ Change	% Change
<i>IFRS Measures</i>								
Trading revenue	42,483	46,801	(4,318)	(9%)	139,861	151,854	(11,993)	(8%)
Cost of sales on trading revenue	(41,455)	(45,893)	4,438	(10%)	(136,583)	(148,709)	12,127	(8%)
Gross margin	1,028	908	120	13%	3,278	3,145	133	4%
Gain (loss) on revaluation of precious metals	245	347	(102)	(29%)	(1)	123	(124)	(101%)
Operating income	1,273	1,255	18	1%	3,277	3,268	9	0%
Total operating expenses	(678)	(638)	(40)	6%	(2,127)	(2,151)	23	(1%)
Net operating income	595	617	(22)	(3%)	1,150	1,117	32	3%
<i>Non-IFRS Measures:</i> ⁽¹⁾								
Net operating income excluding revaluation of precious metals	350	270	80	30%	1,151	994	156	16%

Notes:

(1) See “Use of Non-IFRS Financial Measures” and “Reconciliation of Non-IFRS Financial Measures”.

Schiff Gold experienced net operating income of \$0.6 million, consistent with Q3 2022, and net operating income of \$1.2 million, also consistent with the nine month period ended December 31, 2021.

Schiff Gold benefitted from marketing initiatives that increased gross margin, offsetting the \$4.3 million and \$12 million decreases in revenue over Q3 2022 and the nine month period ended December 31, 2021. The increases in gross margin were primarily offset by decreases in precious metal revaluation gains.

Schiff Gold experienced net operating income excluding revaluation of precious metals of \$0.4 million and \$1.2 million for the three and nine month periods ended December 31, 2022. These results are \$0.1 million and \$0.2 million higher when compared to the same prior year periods. Management believes this non-IFRS measures more accurately reflects Schiff Gold’s performance from operations by excluding the effects of market price fluctuations on precious metal holdings.

Management expects Schiff Gold to continue to contribute strong revenue, gross margin, and profitable operating income to the group, while being in a great position to thrive in an expected favorable future precious metals market.

Liquidity and Financial Position

Capital Resources

The following table summarizes capital resources and cash as of December 31, 2022, and March 31, 2022:

	December 31 2022	March 31 2022	\$ Change	% Change
Cash and cash equivalents	35,531,929	26,030,546	9,501,383	37%
Cash held for dealing ⁽¹⁾	-	1,855,348	(1,855,348)	(100%)
Precious metals	59,804,965	54,158,068	5,646,897	10%
Inventories - other	98,134	91,035	7,099	8%
Marketable securities	2,649,143	5,951,601	(3,302,458)	(55%)
Receivables	940,574	886,515	54,059	6%
Prepaid and other assets	315,147	270,353	44,794	17%
Loans receivable	11,809,190	11,410,409	398,781	3%
Accounts payable and accrued liabilities	(3,700,131)	(2,026,511)	(1,673,620)	(83%)
Short-term marketable securities	-	(437)	437	100%
Non-IFRS Liquidity Position	107,448,951	98,626,927	8,822,024	9%
Property and equipment	918,237	1,404,919	(486,682)	(35%)
Investment in associate	34,750,983	34,817,996	(67,013)	(0%)
Tangible Capital	143,118,171	134,849,842	8,268,329	6%

Notes:

- (1) As of December 31, 2022, the Company had nil (March 31, 2022: \$1,855,348) of cash held for dealing, consisting of cash in various currencies such as Canadian dollar, U.S. dollar, British pound, Euro, Australian dollar, Japanese yen, Swiss franc, Hong Kong dollar, New Zealand dollar, Norwegian krone, Mexican peso, Danish krone, and Swedish krona. This is cash held by the Company to facilitate the transfer of fiat currency to the customer and receipt by the Company of precious metals, or another fiat currency.

On December 31, 2022, the Company had \$35.5 million in cash and cash equivalents and cash held for dealing, a \$7.6 million (27%) increase from March 31, 2022, and Non-IFRS Liquidity Position of \$107.4 million, an \$8.8 million (9%) increase from March 31, 2022.

Tangible Capital as of December 31, 2022, is \$143.1 million, an \$8.3 million (6%) increase from March 31, 2022.

The increases in Non-IFRS Liquidity Position and Tangible Capital are largely due to favorable comprehensive income, partially offset by \$2.6 million in share repurchases for the nine months ended December 31, 2022.

The Company believes its net working capital balance is sufficient to fund expected requirements for the next 12 months. These include further development of Goldmoney.com, marketing expenditures to promote the growth of all business units, and ongoing operations of Goldmoney.com and Schiff Gold. There are sufficient liquidity and capital resources to continue

the ongoing development of Goldmoney.com and Schiff Gold, acquire users, and explore additional opportunities to create shareholder value.

The Company has no significant long-term debt or material contractual payment obligations. As such, working capital can be used for further business development.

Cash Flow Summary

(expressed in \$000s)	Q3 2023	Q3 2022	\$ Change	% Change	FY 2023	FY 2022	\$ Change	% Change
Net cash provided by (used in)								
Operating activities	8,593	(3,268)	11,861	363%	10,441	(4,871)	15,312	314%
Investing activities	(288)	424	(712)	(168%)	1,330	7,895	(6,565)	(83%)
Financing activities	(728)	(702)	(26)	(4%)	(2,615)	(784)	(1,830)	(233%)
Change in cash from foreign exchange	(175)	(46)	(129)	(282%)	344	30	314	1,037%
Increase (decrease) in cash and cash equivalents	7,401	(3,592)	10,993	306%	9,501	2,271	7,231	318%

Operating Activities

Cash from operating activities

The Company generated \$8.6 million in cash from operating activities, an \$11.9 million increase when compared to Q3 2022. The increase is primarily attributable to the \$7.9 million quarter-over-quarter increase in net income, adjusted downwards by \$5.3 million for non-cash adjustments, and \$9.3 million higher from working capital transactions. The decrease from non-cash adjustments is due primarily to the precious metal revaluation gain, foreign exchange gain and loss on investments.

The \$9.3 million quarter-over-quarter increase in cash generated from working capital is due primarily to the net sale of \$5.8 million in precious metals, an \$8.3 million increase when compared to Q3 2022. The remaining changes derive from other working capital balances, which include but is not limited to accounts payable and accrued liabilities, prepaid and other assets, and receivables.

The Company generated \$10.4 million in cash from operating activities year-to-date, a \$15.3 million increase when compared to the same prior year period. The increase is attributable to the \$9.8 million year-over-year increase in net income, adjusted downwards by \$0.2 million for non-cash adjustments, and \$5.7 million higher for working capital transactions. The decrease from non-cash adjustments is due primarily to the precious metal revaluation gain, foreign exchange gain and loss on investments.

The \$5.7 million increase in cash generated from working capital is due primarily to year-over-year increases in cash generated of \$6.8 million from precious metals sales, \$5 million reduction in cash used to settle accounts payable and accrued liabilities, and \$1.2 million from cash held for dealing. The increases in cash generated is offset by year-over-year decreases of \$4.4 million and \$3.3 million to prepaid and other assets and marketable security transactions. The remaining changes are derived from other working capital balances, which include but is not limited to receivables.

Non-cash adjustments adjust operating activity for non-cash expenses that do not affect cash flows. These adjustments include the impairment in goodwill and intangible assets, investment gains (losses), stock-based compensation, metal revaluation, depreciation and amortization, unrealized foreign exchange, and gain (loss) in investment in associate.

Cash from operating activities excluding precious metals

(expressed in \$000s)	Q3 2023	Q3 2022	\$ Change	% Change	FY 2023	FY 2022	\$ Change	% Change
Net cash provided by (used in)								
Operating activities	8,593	(3,268)	11,861	363%	10,441	(4,871)	15,312	314%
Precious metal (sales) purchases	(5,753)	2,539	(8,292)	327%	3,923	10,675	(6,752)	(63%)
Increase (decrease) in cash and cash equivalents	2,839	(730)	3,569	489%	14,365	5,804	8,560	147%

Cash from operating activities excluding precious metals is a non-IFRS measure, defined as cash flow from operating activities adjusted for precious metal purchase and sales activity.

The Company generated \$2.8 million in cash from operating activities excluding precious metals activity, an increase of \$3.6 million when compared to Q3 2022. The quarter-over-quarter increase in cash generated is mostly attributable to the \$7.9 million increase in net income and \$1 million in cash generated from working capital, partially offset by \$5.3 million from non-cash adjustments, primarily driven by revaluation gains.

The \$1.0 million increase in cash generated from working capital is due primarily to the quarter-over-quarter increase in cash from lower settlement of liabilities and accrued expenses.

The Company generated \$14.4 million in cash from operating activities excluding precious metals activity year-to-date, an increase of \$8.6 million when compared to the same prior year period. The year-over-year increase in cash generated is mostly attributable to the \$9.8 million increase in net income, adjusted \$0.2 million lower from non-cash adjustments and \$1.0 million lower for working capital requirements. The non-cash adjustments are due primarily to precious metal revaluation gains and loss on investments.

The \$1.0 million decrease in cash generated from working capital is due primarily to year-over-year decreases in cash generated of \$4.4 million and \$3.3 million from prepaid and other assets and marketable security transactions. The decrease in cash generated is offset by \$5 million from the reduction cash used to settle accounts payable and accrued liabilities, and \$1.2 million from lower cash held for dealing.

Investing Activities

Cash used in investing activities for Q3 2023 is \$288 thousand, a \$0.7 million increase in cash used in investing activities when compared to Q3 2022. The quarter-over-quarter increase in cash used is attributable to net marketable security purchases in Q3 2023.

Cash from investing activities year-to-date is \$1.3 million, a \$6.6 million decrease in cash from investing activities when compared to the same prior year period. The decrease in cash from investing activities is due to the repayment of loan receivables in the same prior year period as the Company discontinued its peer-to-peer lending operations. The prior period repayment of loan receivables was partially offset by net purchases of marketable securities.

Financing Activities

Cash used in financing activities for Q3 2023 of \$0.7 million is flat when compared to the same prior year quarter.

Cash used in financing activities year-to-date is \$2.6 million, a \$1.8 million increase in cash used when compared to the same prior year period. The increase in cash used is due to share repurchases.

Commitments and Contractual Obligations

The Company has three one-year lease agreements on its premises that expire in March 2023. In addition, the Company terminated its longer-term lease agreement which originally expired in September 2026. Under the terms of the lease agreements the Company has the following remaining lease commitments in the following fiscal year:

	As at
Fiscal year ending	December 31, 2022
2023	32,841

Off-Balance Sheet Arrangements

All client assets are held off-balance sheet. Cash is deposited in bank accounts managed by Goldmoney that are separate from the Company's own working capital. Precious metals are stored in independent vaulting companies by Goldmoney on behalf of its clients, who always retain title to the precious metal bullion assets.

		Dec 31, 2022		Mar 31, 2022	
		Quantity	Fair Value	Quantity	Fair Value
Cash			\$ 49,670,527		\$ 56,851,128
Gold	Grams	16,458,788	1,281,088,676	17,320,174	1,329,997,450
Silver	Ounces	25,026,687	781,967,114	26,483,214	799,613,244
Platinum	Grams	790,262	35,166,683	798,838	30,477,796
Palladium	Grams	170,071	12,822,983	196,947	17,347,423
			\$ 2,160,715,983		\$ 2,234,287,041

Critical Accounting Estimates

The preparation of the audited consolidated financial statements for the years ended March 31, 2022, and 2021 requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates that, by their nature, are uncertain. Key areas of estimation uncertainty include those relating to impairment of non-financial assets with finite lives (note 2(n)), valuation of warrants and options (note 2(i) and note 17), fair values of assets acquired, and liabilities assumed in a business combination, and goodwill and intangibles (note 12 and note 13). The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

COVID-19 Outbreak

The outbreak of coronavirus COVID-19 caused severe global disruptions that impacted economic conditions globally. The extent to which COVID-19 impacts the business, results of operations and financial condition will depend on future developments, remain uncertain.

Notwithstanding the global impact and continued uncertainty around COVID-19, the Company believes that the outbreak will not have a significant adverse effect on the Company's operations. The Company believes that its online business model is well suited to withstanding the uncertainty associated with the outbreak.

While management believes the Company's operations were not adversely impacted by the pandemic, management will continue to monitor its impact, including the effectiveness of vaccinations, and transition to operations post-pandemic.

Capital Risk Management

The Company manages its capital with the following objectives:

- (i) to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- (ii) maximize shareholder return through enhancing the share value.

The Company considers its capital to be equity, comprising share capital, contributed surplus, subscription receipts cost, warrants and retained earnings, which at December 31, 2022, totalled \$182,707,174 (March 31, 2022: \$174,935,762).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on actual activities. Capital management information is provided to the Board of Directors of the Company.

Financial Risk Management

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's credit risk is primarily attributable to cash and cash equivalents, cash held for trading, marketable securities, receivables, metal loan receivable and loans receivable. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents, cash held for trading, marketable securities and loans receivable are held with reputable institutions, from which management believes the risk of loss to be remote. The Company's account receivables consist primarily of transactions with customers and settlement of these receivable is not in doubt. The maximum exposure to credit risk is the carrying value of cash and cash equivalents, cash held for trading, marketable securities, receivables, and loans receivable.

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 liquidity risk is subject to extensive risk management controls and is managed within the framework of policies and limits approved by the Board. Senior management provides the Board reports on risk exposures and performance against approved limits.

As of December 31, 2022, the Company had cash and cash equivalents, cash held for dealing, precious metals and marketable securities balance of \$97,986,037 (March 31, 2022: \$87,995,563) to settle liabilities of \$3,700,131 (March 31, 2022: \$2,026,948).

The contractual cash flow requirements for financial liabilities as of December 31, 2022 and March 31, 2022, are due within one year.

Market Risk

Interest Rate Risk

The Company has cash balances and limits variable interest-bearing debt. The Company's current policy is to invest excess cash in investment grade short term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign Currency Risk

The Company's functional currencies are the Canadian dollar, U.S. dollars and British pound. The Company's reporting currency is the Canadian dollar. Major purchases are transacted in Canadian dollars, U.S. dollars, British pounds, and Euros. The Company also transacts with the sale of approximately nine different currencies for precious metals and is exposed to foreign exchange risk associated with these transactions.

The Company holds financial instruments denominated in Canadian dollars, U.S. dollars, British pounds, Euros, Australian dollars, Swiss Francs, Hong Kong dollars, Japanese Yen, and New Zealand dollar. The Company uses its in-house foreign exchange team to manage foreign exchange transaction exposures, by shifting exposure to certain currencies as forecasted. The Company is mainly affected by changes in exchange rates between the Canadian dollar and these foreign currencies.

Price Risk

The Company is exposed to price risk with respect to the price of gold, silver, platinum, and palladium held as assets. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to their price movements and volatilities. The Company closely monitors prices of precious metals. The Company's precious metals holding is subject to fair value fluctuations arising from changes in commodity prices.

Sensitivity Analysis

Based on management's knowledge of and experience with financial markets, the Company believes the following movements are reasonably possible:

- (i) The Company's precious metals amounting to \$59,804,965 is subject to fair value fluctuations. As at December 31, 2022, if the fair value of the Company's precious metals inventory had decreased/increased by 10% with all other variables held constant, net income and comprehensive income and shareholders' equity for the period ended December 31, 2022, would have been approximately \$5,980,497 higher/lower.
- (ii) The Company's metal loan to Menē Inc. on December 31, 2022, amounts to \$11,473,711 and is subject to fair value fluctuations. As of December 31, 2022, if the fair value of the Company's precious metals holding had decreased/increased by 10% with all other variables held constant, net income and comprehensive income and shareholders' equity for the period ended December 31, 2022, would have been approximately \$1,147,371 higher/lower.

- (iii) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, marketable securities, precious metals, and accounts payable and accrued liabilities. Financial instruments are denominated in U.S. dollars, Euros and British pound. As of December 31, 2022, the net gain and comprehensive gain would have been approximately \$3,900,000 higher/lower, had the Canadian dollar weakened /strengthened by 5%, as a result of foreign exchange gains/losses on translation of U.S. dollar, Euros and British pound denominated financial instruments related to cash and cash equivalents and accounts payable and accrued liabilities.

Related Party Transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at fair value:

Transactions with associates

	As at and for the nine months ended	
	December 31, 2022	December 31, 2021
Receivables	\$ 41,372	\$ -
Loan receivable	11,473,711	10,421,073
Interest earned	244,062	223,640
Gain (loss) on revaluation of metal loan receivables	243,712	606,150

The Company has entered into a promissory note agreement with an executive. The \$326,000 promissory note pays interest at 3% per annum, calculated and payable monthly. The note may be repaid at any time without notice or penalty. The promissory note is collateralized by a priority security interest on RSU's held by the executive and all distributions, cash, instruments, and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the RSU's or other securities or property issued in respect thereof.

Loans receivable

Loans receivables consist of loans extended by the Company, totaling \$11,809,190 (March 31, 2022: \$11,410,409).

Menē Inc. metal loan receivable

On March 19, 2019, the Company and its associate company Menē Inc. agreed to terms for an unsecured line of credit promissory note to facilitate the sale of gold and platinum by the Company to Menē. The new line of credit established a loan limit up 5,000 troy ounces of gold and 1,000 troy ounces of platinum, up to a maximum aggregate amount of 5,000 ounces. The line of credit promissory note was renewed on March 19, 2022, and is unsecured, bears 3% interest per annum, and matures at the earlier of March 19, 2023, or on demand by the Company. On the Maturity Date, if this note is not renewed or has not been paid in full, it shall bear interest from inception at the rate of 8.0% per annum until paid in full.

At December 31, 2022, the loan value was \$11,473,711 (March 31, 2022: \$10,985,938) with metal weight of the loan comprising 4,443 ounces of gold and 359 ounces of platinum (March 31, 2022: 4,344 ounces of gold and 351 ounces of platinum).

A Canadian dollar valuation of the loan is calculated at the end of each quarterly reporting period based on the spot price of the metals borrowed, multiplied by the weight of gold and or weight of platinum owed on the valuation date. The difference arising from the new valuation is recognized in profit and loss.

Related party loans

On December 31, 2022, total loans extended to officers and employees were \$335,479 (March 31, 2022: \$424,471). See the Related Party Transactions section for more details.

Investment in Associate

	Menē Inc
Balance, March 31, 2021	\$ 35,229,533
Share of operations and comprehensive loss	(411,537)
Balance, March 31, 2022	\$ 34,817,996
Menē Inc share purchases	37,231
Share of operations and comprehensive loss	(104,244)
Balance, December 31, 2022	\$ 34,750,983

Menē Inc.

On December 31, 2022, the Company's ownership in Menē Inc. was 93,767,949 shares or 36.10% (March 31, 2022: 93,692,949 or 36.27%) consisting of class B shares 81,508,947 (March 31, 2022: 81,433,947) and class A shares 12,259,002 (March 31, 2022: 12,259,002). The share price was \$0.50 and market value of \$46,883,975 (March 31, 2022: \$0.63 and market value of \$59,026,558).

Outstanding Share Capital Data

As of the date of this MD&A, the Company had 74,345,532 common shares issued and outstanding, 1,346,750 options outstanding, each option exercisable for the purchase of one common share, 504,615 restricted stock units outstanding, each unit exercisable to one common share and 1,400,000 warrants outstanding, each warrant exercisable for the purchase of one common share.

Risks and Uncertainties

Due to the nature of Company's business and its present stage of development, prospective investors in the Company's securities should carefully consider the specific and general risks involved in an investment in the securities of the Company. Risk factors that could materially affect the Company's business, results of operations, prospects and financial condition include (i) the Company's limited operating history; (ii) history of operating losses; (iii) future capital needs and uncertainty of additional financing; (iv) the risk of fluctuations in the market price of the common shares; (v) concentration of control of the Company; (vi) foreign currency and exchange rate risk; (vii) global economic and financial market deterioration impeding access to capital or increasing the cost of capital; (viii) dividend policy; (ix) regulation and compliance; (x) legal and regulatory change and uncertainty; (xi) jurisdictional factors associated with international operations; (xii) foreign restrictions on access to the Company's services; (xiii); product development and rapid technological change; (xiv) dependence on technical infrastructure; (xv) protection of intellectual property; (xvi) use and storage of personal information and compliance with privacy laws; (xvii) network security risks; (xiii) risk of system failure or inadequacy; (xix) risks associated with market expansion; (xx) the Company's ability to manage rapid growth; (xxi) competition; (xxii) effectiveness of the Company's risk management and internal controls; (xxiii) marketing and brand development; (xxiv) use of the Company's services for improper or illegal purposes; (xxv) customer complaints and negative publicity; (xxvi) reliance on key personnel; (xxvii) uninsured and underinsured losses; (xxiii) theft & risk of physical harm to personnel; (xxix) precious metal trading risks; (xxx) volatility of precious metals prices & public interest in

precious metals investment; (xxxi) risks associated with COVID-19 and other infectious diseases presenting as major health issues; (xxxii) failure to comply with environmental and health and safety laws and regulations; (xxxiii) and operating or technical difficulties in connection with the trading and storage of precious metals.

Additional risks and uncertainties not presently known to the Company or that the Company does not currently anticipate may be material, may impair the Company's business operations and operating results, and as a result could materially impact its business, prospects and financial condition. Please refer to those risks discussed in the materials that we from time-to-time file with, or furnish to, the Canadian securities regulatory authorities, including the section entitled "Risks and Uncertainties" in the Company's most recently filed annual information form, available on SEDAR at <http://www.sedar.com/>.

Reconciliation of Non-IFRS Financial Measures

The following tables reconcile the non-IFRS financial measures to our most directly comparable IFRS financial measures for the three and nine month periods ended December 31, 2022:

Net operating income excluding revaluation of precious metals

Net operating income excluding revaluation of precious metals is a non-IFRS measure, calculated as net operating income (loss) excluding revaluation of precious metals. The closest comparable IFRS financial measure is net operating income. Fluctuations in the value of its precious metal inventories caused by fluctuations in market prices are included in net operating income. Management believes that excluding such fluctuations more clearly illustrates the Company's business operations.

Q3 2023						Q3 2022					
(expressed in \$000s)	Consolidated	Corporate	Holdings	Schiff Gold	LBTH	Consolidated	Corporate	Holdings	Schiff Gold	LBTH	
Net operating income	11,888	(880)	12,173	595	-	2,679	(1,217)	2,558	617	721	
(Gain)/loss on revaluation of precious metals	(8,237)	-	(7,992)	(245)	-	(1,656)	-	(1,309)	(347)	-	
Net operating income excluding revaluation of precious metals	3,651	(880)	4,181	350	-	1,024	(1,217)	1,250	270	721	
YTD 2023						YTD 2022					
(expressed in \$000s)	Consolidated	Corporate	Holdings	Schiff Gold	LBTH	Consolidated	Corporate	Holdings	Schiff Gold	LBTH	
Net operating income	13,878	(4,100)	16,828	1,150	-	320	(4,135)	2,684	1,117	654	
(Gain)/loss on revaluation of precious metals	(1,974)	-	(1,975)	1	-	538	-	662	(123)	-	
Net operating income excluding revaluation of precious metals	11,903	(4,100)	14,853	1,151	-	859	(4,135)	3,346	994	654	

Cash from Operating Activities excluding precious metals

Cash from operating activities excluding precious metals is a non-IFRS measure, defined as cash flow from operating activities adjusted to remove precious metal purchase and sale activity. Management believes this measure provides a better indication of the Company's cash flows from its core operational activities.

This non-IFRS measure is calculated in the Cash Flow Summary section.

Non-IFRS Adjusted Gain (Loss)

Non-IFRS Adjusted Gain is a non-IFRS measure, calculated as total comprehensive income adjusted for impairment of goodwill and intangibles, (gain)/loss on revaluation of precious metals, non-cash stock-based compensation, depreciation and amortization, unrealized gain/loss on investments held for sale, foreign exchange (gain)/loss and foreign currency translation (gain)/loss. The closest comparable IFRS financial measure is total comprehensive income. Management believes that Non-IFRS Adjusted Gain (Loss) provides useful insight into the performance of the Company's businesses by adjusting for non-cash expenses and other factors such as foreign exchange and precious metals market price fluctuations that are beyond the Company's control.

(expressed in \$000s)	Q3 2023	Q3 2022	\$ Change	% Change	FY 2023	FY 2022	\$ Change	% Change
Total comprehensive income (loss)	10,455	2,616	7,838	300%	10,151	355	9,797	2,763%
Adjust: (Gain) loss on revaluation of precious metals	(8,237)	(1,656)	(6,581)	(397%)	(1,974)	538	(2,513)	(467%)
Add: Non-cash stock-based compensation	115	288	(173)	(60%)	448	1,256	(808)	(64%)
Add: Depreciation and amortization	205	266	(61)	(23%)	979	780	199	25%
Adjust: Unrealized (gain) loss on marketable securities	523	138	385	280%	3,196	(163)	3,360	2,057%
Adjust: Foreign exchange (gain) loss	47	13	34	256%	(563)	(339)	(223)	(66%)
Adjust: Foreign currency translation (gain) loss	20	4	16	437%	(56)	(67)	11	17%
Non-IFRS Adjusted (Gain) Loss	3,127	1,668	1,459	87%	12,182	2,359	9,823	416%

Tangible Capital

Tangible Capital is a non-IFRS measure, calculated as Non-IFRS Liquidity Position, property and equipment, and investment in associate. Tangible Capital excludes intangible assets and goodwill. Management believes that this measure provides a better indication of the Company's capital available to support active operations.

This non-IFRS measure is calculated in the Capital Resources section.

Non-IFRS Liquidity Position

Non-IFRS Liquidity Position is calculated as the total of cash and cash equivalents, cash held for dealing, restricted cash, precious metals, receivables, prepaids, loans receivable, and marketable securities, net of marketable securities and accounts payable and accrued liabilities. The closest comparable IFRS financial measure is total assets. Management believes that this liquidity position provides useful insight into the available liquidity within the Company.

This non-IFRS measure is calculated in the Capital Resources section.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of December 31, 2022, the Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of its disclosure controls and procedures, as defined under the Canadian securities' regulatory authorities, and have concluded that the Company's disclosure controls and procedures are effective.

Internal control over financial reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. These controls include policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

All control systems contain inherent limitations, no matter how well designed. As a result, the Company's management acknowledges that its internal control over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected.

All control systems contain inherent limitations, no matter how well designed. As a result, the Company's management acknowledges that its internal control over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected. Management assessed the effectiveness of internal control over financial reporting, using the Internal Control-Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and based on that assessment concluded that internal control over financial reporting was effective as of December 31, 2022.

Changes in internal control over financial reporting

There have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting during the quarter ended December 31, 2022.

Additional Information

Additional information relating to the Company, including the Company's annual information form, can be found on SEDAR at www.sedar.com.