Wellfield Technologies Inc.

(formerly 1290447 B.C. Ltd.)

Management's Discussion & Analysis

Three and six months ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

Introduction

The following Management's Discussion and Analysis ("MD&A") comments on the financial condition and results of operations of Wellfield Technologies Inc., formerly 1290447 B.C. Ltd. ("Wellfield" or "the Company") for the three and six months ended June 30, 2022. All financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The information contained herein should be read in conjunction with Wellfield's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2022 and 2021 (the "Financial Statements") and the audited annual consolidated statements for the year ended December 30, 2021.

Unless the context otherwise requires, all references to "Wellfield", "Company", "our", "us", and "we" refer to Wellfield Technologies Inc. and its direct and indirect subsidiaries.

This MD&A is dated August 29, 2022. All amounts are presented in Canadian dollars, unless otherwise noted. The functional currency for Wellfield Technologies Inc. is the Canadian dollar.

Advisory Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking information or forward-looking statements under applicable securities laws (collectively, "forward-looking statements"). In particular, this MD&A contains forward-looking statements with respect to, among other things, our objectives, goals, strategies, intentions, plans, estimates, outlook, expected growth, business opportunities and completion of proposed transactions. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties and undue reliance should not be placed on such statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, or future events or performance (often, but not always, using words or phrases such as "may", "would", "could", "will", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", "continue", "project", "forecast", "potential", "targeting", "intend", "might", "should", and similar expressions, as they relate to the Company, are not statements of historical fact and may be "forward-looking statements". Further information regarding forward-looking information and statements can be found at the end of this MD&A.

Overview and Nature of Business

Wellfield builds blockchain powered technology that meets the everyday banking and digital asset investing needs of institutions and consumers directly and through its subsidiaries Seamless Logic Software Limited ("Seamless"), MoneyClip Inc. ("MoneyClip") and Coinmama (as defined below). The Company has strong academic and development expertise with a focus on architecting fully decentralized solutions built directly on public blockchains like Bitcoin and Ethereum. Wellfield aims to combine this novel IP, branded applications, digital identity solutions, and bank to blockchain payment infrastructure to create solutions that offer alternatives to traditional finance.

Seamless develops decentralized and permissionless "on blockchain" technologies, focusing on solutions where centralized exchanges and other institutions have proven market demand and also where infrastructure gaps currently prevent blockchains from supporting competitive alternatives. Management places an emphasis on research and leverages its strong academic and blockchain team to ensure its fully decentralized technology operates securely as publicly accessible utilities. Seamless' mission is to develop foundational infrastructure that empowers blockchain to support global finance. Management includes founders and academic advisors with decades of experience in economics, finance, and technology, as well as deep knowledge in computer science fields related to blockchain, cryptography and complexity.

MoneyClip offers Canadian consumers a digital wallet that is built on the blockchain. Management's primary objective is to construct and operate a digital wallet that leverages proprietary technology, public blockchains, and DeFi protocols to provide a wide variety of payment processing and everyday banking alternatives to retail customers.

Coinmama has built a regulated global platform for consumers to buy and sell digital currencies using everyday payment methods. Coinmama has more than 3.5 million registered users, each of which has undergone regulatory verification and transacted on the platform. Coinmama currently offers consumers the ability to buy and sell digital currencies, including Bitcoin and Ethereum.

Operational Highlights

Portugal development expansion

The Company rolled out its strategic partnership with Exaud, LDA and began operations of an in house development hub with the hiring of seven full time blockchain developers. The office in Portugal aims to secure high demand blockchain development talent and shorten time to market for Seamless technologies and other Wellfield services.

Coinmama acquisition

On May 27, 2022, the Company completed the acquisition of New Bit Ventures Ltd. ("Coinmama"), an Israeli based digital asset dealer incorporated in 2013 and operating under the name "Coinmama" (the "CM Transaction"). Wellfield acquired 100% of the issued and outstanding securities of Coinmama in exchange for total aggregate consideration of $3,844,500 ($3,000,000 USD) payable in cash and the issuance of 22,988,467 common shares in the capital of Wellfield. Upon closing of the CM Transaction, Coinmama became a wholly-owned subsidiary of Wellfield.

Product and brand strategy review

During July 2022, management initiated a product and brand strategy review of the Company's institutional and retail business lines. During this process, management resolved to unify all of the Company's direct retail facing products and services under the Coinmama brand. The execution of this decision includes removing MoneyClip branded product from the marketplace and integrating MoneyClip's mobile app, technology, and personnel into Coinmama's business as well as completing an impairment assessment over the related goodwill.

As at June 30, 2022, MoneyClip had eighteen full-time employees hiring five employees since the year end as it continues to build out its growth and product development teams, who will now be focused on the Coinmama platform. During the six months ended June 30, 2022, MoneyClip recognized research and development expenses of $1,089,217 of which $950,483 related to salaries and benefits. The anticipated launch of the Coinmama mobile application is scheduled for the second half of 2022.

Discussion of Operations

Seamless

During the first half of 2022 Seamless continued to develop its product suite and prepare for the commercialization of liquidity optimization, cross-blockchain decentralized exchange protocol and Bitcoin-related products in the second half of 2022. Seamless increased its development costs as it continues to integrate additional products and improve the existing offerings. Seamless continued to expand its internal development team dedicated to the commercialization of product offerings to be launched in 2022. Seamless continues to build out its go-to market strategy and is planning to leverage synergies and opportunities that exist after the successful acquisition of Coinmama.

For the six months ended June 30, 2022, Seamless incurred costs of $501,406 related to the research and development of its products. Seamless has not yet started to incur costs related to its growth and marketing strategies.

Coinmama

The acquisition of Coinmama brings a revenue-generating company with existing user relationships and an established brand and web presence. During the period, management focused on identifying synergies between Coinmama's business and the Company's existing IP as well as opportunities to increase Coinmama's userbase and gross margins in the second half of 2022. Management also began undertaking a process to outline a product expansion strategy, leveraging technology developed by Seamless and MoneyClip to create a full service financial application powered by blockchain that offers an alternative to centralized cryptocurrency exchanges and neo bank products. Coinmama currently offers a browser-based platform and the roll-out of a mobile financial application in the second half of 2022 is the first step in this effort and is expected to improve retention and per user monetization metrics.

Coinmama has approximately 60 employees operating primarily out of its Israel and Ireland offices. For the period from the acquisition date to June 30, 2022, Coinmama has total operating expenses of $548,120.

Future performance

The Company anticipates its future performance may be materially affected by the market price and demand for cryptocurrency. Consumer and institutional demand for cryptocurrency assets and related investments will have a direct impact on the operations of Coinmama as its revenue is driven by the demand for cryptocurrency investment exposure. The Company has a positive outlook on the continuing growth in demand for digital assets, and expects a continued trend toward increased adoption and demand of decentralized services. Management believes that the integration of its novel blockchain based technology will enable the Company to offer solutions that do not currently exist in the market and that offer competitive value propositions to end users.

Management does not anticipate that potential changes in regulations and laws enacted by government authorities as it relates to cryptocurrency and decentralized finance will prevent the Company from offering its planned services and solutions or operating a fully compliant business. Government authorities have been slow to react to the rapid changes in the cryptocurrency and decentralized finance space and it is difficult to predict the potential impact of any future changes, however the Company actively works to design and develop its offerings to adapt to potential changes to its operations resulting from new regulations or legislation.

The Company does not expect the recent increases in global inflation to have a significant impact on its short-term outlook of revenue and expenses.

Overall Performance & Selected Financial Information

Selected financial information for the Company is provided below:

	For the three months ended June 30,		For the six months ended June 30,	
	2022 ($)	2021 ($)	2022 ($)	2021 ($)
Revenue	5,671,150	-	5,671,150	-
Cost of revenue	5,606,633	-	5,606,633	-
Gross profit	64,517	-	64,517	-
Operating expenses	3,804,858	462,257	8,316,550	936,643
Other income (loss)	(420,578)	588,381	(407,459)	588,954
Income (loss) before income taxes	(4,160,919)	126,124	(8,659,492)	(347,689)
Income tax expense (recovery)	(379,107)	-	(188,148)	-
Net income (loss)	(3,781,812)	126,124	(8,471,344)	(347,689)
Foreign currency translation adjustment	19,642	(40,315)	(2,040)	(72,003)
Comprehensive income (loss)	(3,762,170)	85,809	(8,473,384)	(419,692)
Basic and diluted income (loss) per share	(0.03)	0.00	(0.08)	(0.01)

General and administrative expense breakdown

	For the three months ended June 30,		For the six months ended June 30,	
	2022 ($)	2021 ($)	2022 ($)	2021 ($)
Investor relations	583,360	-	2,336,181	-
Legal and professional fees	489,515	46,948	1,197,470	56,179
Salaries and benefits	343,792	-	532,871	-
Advisory board	142,608	-	335,449	-
Consulting	138,993	154,637	160,171	207,726
Directors fees	79,491	-	166,047	-
Filing fees	48,886	-	56,138	-
General	32,700	-	95,250	-
Travel	28,643	-	31,936	-
Dues and subscriptions	19,463	-	31,677	-
Meals and entertainment	11,064	-	13,005	-
Bank charges and interest	6,810	3,208	12,877	6,309
	1,925,325	204,793	4,969,072	270,214

Research and development expense breakdown

	For the three months ended June 30,		For the six months ended June 30,	
	2022 ($)	2021 ($)	2022 ($)	2021 ($)
Salaries and benefits	689,153	-	1,184,345	-
Consulting	331,800	257,464	658,674	666,429
Other	21,398		21,398	-
Dues and subscriptions	8,330	-	18,415	-
	1,050,681	257,464	1,882,832	666,429

The results for the three and six months ended June 30, 2021 consist solely of the operations of Seamless. The results of Seamless for the six months ended June 30, 2022 and 2021 are relatively consistent between the two periods. The results for the three and six months ended June 30, 2022 include the consolidated operations of Wellfield. As a newly formed public company, Wellfield has incurred significant expenses as its relates to investor relations. Legal and professional fees incurred during the first half of 2022 include fees related to the acquisition of Coinmama and the investment in Verif-y. Substantially all of the salaries and benefits under research and development relate to the development of the MoneyClip application. The results for the three and six months ended June 30, 2022 include the operations of Coinmama commencing on the date of acquisition. Through the acquisition of Coinmama, the Company started to generate revenue through the existing Coinmama platform. Coinmama contributed a net loss of $508,943 to the consolidated net loss for the three and six months ended June 30, 2022.

Summary of Quarterly Results

	June 30, 2022 ($)	March 31, 2022 ($)	December 31, 2021 ($)	September 30, 2021 ($)
Revenue	5,671,150	-	-	-
Net income (loss)	(3,781,812)	(4,689,532)	(3,845,557)	(1,032,592)
Net loss per share, basic and diluted	(0.03)	(0.05)	(0.05)	(0.02)

	June 30, 2021 ($)	March 31, 2021 ($)	December 31, 2020 ($)	September 30, 2020 ($)
Revenue	-	-	-	-
Net income (loss)	126,124	(473,814)	(129,984)	(1,125)
Net income (loss) per share, basic and diluted	0.00	(0.01)	(0.02)	(0.00)

The quarterly results for the periods ended September 30, 2021 and before consist solely of the operations of Seamless. Throughout 2020, Seamless significantly scaled back its operations as a result of the COVID-19 pandemic and a period where ongoing research and development needs were low while the Company waited to determine its go-to market strategy and timing. In late 2020, Seamless started the process of raising funds via a private placement of Series A preferred shares. Gross proceeds from the private placement, which was completed in January 2021, exceeded $5 million. Subsequent to the completion of the private placement, Seamless increased its research and development spend as it prepared to bring its product to market. Results of the quarter ended December 31, 2021, reflect the results of Seamless plus the consolidated Wellfield entities for the period of November 23, 2021 to December 31, 2021. This includes the non-cash listing expense of $1,623,290 related to the reverse acquisition of 1290447 B.C. Ltd. The loss for the quarter ended September 30, 2021 increased from the first two quarters of the year due to legal fees incurred related to the acquisition of MoneyClip and the listing of the Wellfield common shares on the TSXV. The net income for the period ended June 30, 2021 was a result of the gain on derecognition of the SAFT agreements.

The results for the quarter ended March 31, 2022 were the first to include the consolidated Wellfield entities for the full quarter. MoneyClip and Seamless continued to incur costs related to the research and development of their respective products. The largest driver of expenses was Wellfield's general and administrative costs, which were over $3 million for the three months ended March 31, 2022. Approximately $2.74 million of these costs relates to investor relations, professional fees, directors' fees and advisory board costs.

The results for the quarter ended June 30, 2022 include the operations of Coinmama commencing from the date of acquisition. Coinmama generated revenue of $5,671,150 from the date of acquisition to June 30, 2022 and contributed a gross profit of $64,517 during this period. The Company's operating expenses decreased from the prior quarter, which was a result of decreases in the general and administrative area. Investor relations and legal and professional fees were down $1,169,461 and $218,440, respectively. The Company continued to increase its research and development and growth and marketing spend as the Company made efforts to scale and grow its offerings.

Liquidity and Capital Resources

The Company’s capital structure consists of all components of shareholders’ equity. The Company’s objective when managing capital is to maintain adequate levels of funding to support the current operations and the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company is not subject to externally imposed capital requirements and the Company’s overall strategy with respect to capital risk management remains unchanged from the prior period.

The Company has primarily financed its operations through private equity placements completed in 2021 and has started to generate revenue from its newly acquired Coinmama business operations. The Company's working capital decreased by $11,764,743 in the period from the year-end to June 30, 2022 as a result of the cash outflows from its operating and investing activities in the first half of 2022. The Company will need to increase its revenue generation activities or complete additional financing in order to fund its planned long-term growth and development activities. The ability of Coinmama to fund its operations through its own revenue is dependent on the cryptocurrency market and the demand for its services. The Company expects Coinmama to increase its revenue rate through the launch of the mobile application and expanded growth efforts.

As at June 30, 2022, the Company has working capital of $6,148,757 which includes cash of $6,482,150. As at June 30, 2022, the Company has no long-term commitments. The Company has a current loan denominated in Bitcoin through a credit line with an individual. The credit line is due February 2026, however the lender can terminate the agreement by providing advance notice of 45 days. The fair value of the loan at June 30, 2022 was $764,060. As at December 30, 2021, the Company had working capital of $17,913,500.

Cash flow summary

	Six months ended June 30,	
	2022	**2021**
	($)	**($)**
Cash flow from (used in):		
Operating activities	(6,705,199)	(775,778)
Investing activities	(4,498,169)	-
Financing activities	30,800	4,116,062
Effect of foreign exchange rate changes on cash	24,809	(119,603)
Net increase (decrease) in cash	(11,147,759)	3,220,681
Cash - Beginning	17,629,909	136,753
Cash - Ending	6,482,150	3,357,434

Cash flows used in operating activities for the six months ended June 30, 2022 were $6,705,199, up from the $775,778 used in the six months ended June 30, 2021. The Company received funds through the completion of two private placements completed on January 12, 2021 and November 23, 2021 for gross proceeds of $5.1 million and $20.475 million respectively. The proceeds from the January 12, 2021 private placement were used to fund the operations of Seamless. The proceeds from the November 23, 2021 private placement were used to fund the operations of the consolidated Wellfield entity for the six months ended June 30, 2022.

Cash flows used in investing activities primarily relate to investment in Verif-y and the Coinmama acquisition. There were no investing activities for the six months ended June 30, 2021.

There were no material financing activities for the six months ended June 30, 2022. During the six months ended June 30, 2021, the Company received funds through the completion of a private placement in Seamless completed on January 12, 2021 for gross proceeds of $5.1 million.

Related Party Transactions

The Company's related parties consist of entities where the executive officers and directors of the Company are principles. Their position in these entities results in their having control or significant influence over the financial or operating policies of these entities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel are the Company's executive management team and members of the Board of Directors.

During the three and six months ended June 30, 2022 and 2021, key management personnel compensation consisted of the following:

	Three months ended June 30,		Six months ended June 30,	
	2022 ($)	2021 ($)	2022 ($)	2021 ($)
Wages, salaries, fees and short-term benefits	308,732	15,967	621,095	48,883
Share-based payments	51,662	-	102,756	-
	360,394	15,967	723,851	48,883

The above related party transactions were in the normal course of operations and have been valued in the condensed interim consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Critical Accounting Estimates

The preparation of the Company's condensed interim consolidated financial statements requires management to make judgements and estimates that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Estimates are reviewed on an ongoing basis.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements are as follows:

Income taxes

The determination of the Company's tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgement by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities, and the deferral and deductibility of certain items. Management also makes estimates of future earnings, which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

Impairment of non-financial assets

On an annual basis, goodwill is tested for impairment with its carrying value being compared to its recoverable amount. The recoverable amount of goodwill, including the relevant cash generating unit it has been allocated to, has been measured at its fair value less costs to sell. The fair value of the cash generating unit has been determined using a discounted cash flow valuation approach based on internal estimates of the cash generating unit's future cash flows. Key assumptions made in the forecast include the number of users acquired, the timing of revenue generating activities, expected revenue per user, and total expenditures required to carry out business plans. Changes in the key assumptions could have a material effect on the recoverable amount of goodwill and other non-financial assets.

Fair value of share-based compensation

Share-based payments with employees and directors are measured at the fair value of the equity instruments at the date at which they are granted. Share-based payments with non-employees and non-directors, require measurement of the fair value of the services or goods received. Estimating the fair value of share-based payments requires the determination of the most appropriate valuation model taking into account the terms and conditions upon which those equity instruments were granted. Share options are valued using the Black-Scholes valuation model, which requires estimates of the share price volatility rate, risk-free rate, dividend yield, and expected life of the option.

Business combinations

The acquisitions of MoneyClip and Coinmama required the Company to make assumptions and estimates to determine the fair value of the identifiable assets acquired and liabilities assumed. The intangibles assets of MoneyClip were valued using a cost approach which required several assumptions and estimates about the development of the software. The Company also made estimates in the measurement of the fair value of consideration transferred where the fair value of the shares transferred was not readily available. These assumptions and estimates have an impact on the assets and liabilities recognized in the consolidated statement of financial position, including goodwill which is measured as the excess of the consideration transferred over the fair value of the assets acquired and liabilities assumed.

Fair value of financial instruments carried at fair market value and considered level 3 measurement

The Company's investment in Verif-y is carried at fair value through profit or loss and has been classified as level 3 within the fair value hierarchy. There is no observable market data available to determine the fair value therefore management is required to make judgments and estimates to determine the fair value of the financial instrument. Management uses various techniques to estimate the fair value of the asset including implied valuations on subsequent equity raises or sales, if available, changes in the financial results of the operations of Verif-y, and other market approaches, where applicable.

Changes in Accounting Policies

Effective November 23, 2021, the Company made a voluntary change in its presentation currency to Canadian dollars from British pound sterling. Under IFRS 3, the Company's financial statements are a continuation of Seamless which previously presented its financial statements in British pound sterling. Commencing on November 23, 2021, the financial statements reflect the consolidated operations of Wellfield, whose presentation currency was previously the Canadian dollar. The change in presentation currency represents a voluntary change in accounting policy, which is accounted for retrospectively. The statements for all periods presented in the Financial Statements have been translated into the new presentation currency in accordance with International Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates. The change did not have a significant impact on the Company's Financial Statement.

Financial Instruments and Other Instruments

The Company is exposed, in varying degrees, to a variety of financial related risks. The fair value of the Company's financial instruments, including cash, term deposits, receivables, due from related party, and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature. The investment in Verif-y has been classified as level 3 within the fair value hierarchy. Cryptocurrencies payable to customers and the loan in cryptocurrency are classified as level 1 within the fair value hierarchy and are measured using the market price of the relevant cryptocurrencies. There have been no changes in levels during the period.

In determining fair value, the Company classifies the fair value of these transactions according to the following hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.
- Level 3 - Unobservable inputs for the asset or liability (unobservable inputs reflect management's assumptions on how market participants would price the asset or liability based on the information available).

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its receivables. Substantially all of the Company's receivables are due from credit card processors, liquidity providers and financial service providers. The Company works with only a select few reputable providers to mitigate the risk of potential defaults.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to its accounts payable and accrued liabilities, cryptocurrencies payable to customers and its loan in cryptocurrency. The Company manages this risk by managing its working capital and monitoring its ongoing operating requirements.

Foreign currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations affect the costs that the Company incurs in its operations as well as the currency in which the Company has historically raised capital.

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities. The Company maintains bank accounts in various currencies in order to effect transactions in these foreign currencies, but does not formally hedge its foreign currency risk.

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars, Euros and Israeli new shekels. The fluctuation of these currencies in relation to the Canadian dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of shareholders' equity. The Company's significant currency exposure as stated in Canadian dollars at June 30, 2022 is as follows:

	USD	**EUR**	**ILS**	**Other**	**Total**
Cash	574,175	152,012	452,040	11,699	1,189,926
Receivables	811,242	551,778	146,082	-	1,509,102
Accounts payable and accruals	(2,017,797)	(220,080)	(1,206,983)	(23,467)	(3,468,327)
Lease liability	-	-	(141,151)	-	(141,151)
Net financial position	(632,380)	483,710	(750,012)	(11,768)	(910,450)

A 10% strengthening of the above currencies against the Canadian dollar would have affected the measurement of financial instruments as denominated in a foreign currency and affected equity and profit and loss by the following amounts:

	USD	**EUR**	**ILS**	**Other**	**Total**
Increase (decrease) on equity and profit or loss	(63,238)	48,371	(75,001)	(1,177)	(91,045)

A 10% weakening of the above foreign currencies against the Canadian dollar would have an equal but opposite effect.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is exposed to price risk on its investment in Verif-y, cryptocurrencies payable to customers and the loan in cryptocurrency. The Company manages the price risk on its investments by making strategic business investments in accordance with the Company's investment guidelines. The price risk related to the loan in cryptocurrency is mitigated by the Company's cryptocurrency held for investment. As at June 30, 2022, the Company held 30 BTC to offset its 30 BTC loan in cryptocurrency. The Company's price risk on its cryptocurrencies payable to customers is not significant as the Company holds cryptocurrencies for operating purposes which are used to settle the liability to customers.

Business Combination Use of Proceeds

On November 23, 2021, the Company completed its business combination with MoneyClip and Seamless and concurrently closed a private placement for aggregate gross proceeds of $20,475,000. The following table provides an update on the anticipated use of proceeds from the completion of the Business Combination, along with amounts expensed to date.

Principal Purpose	Estimated Amount ($)	Approximate Use of Proceeds to June 30, 2022 ($)
Research, Development and Launch of Business Objectives	3,400,000	1,942,817
Growth, Marketing & Promotion, Customer Success	5,750,000	632,764
General & Administrative	2,100,000	4,937,399
Capital Expenditures	750,000	43,865
Fees and expenses payable in connection with the Business Combination & TSXV Listing	1,000,000	1,025,900
Strategic Investments	-	5,117,300
Total estimated spend for 12-month period following closing	13,000,000	13,700,045
Unallocated Funds	9,843,468	-
Total	22,843,468	13,700,045

Approximate use of proceeds is based on expenses of the Company for the period of November 23, 2021 to June 30, 2022, adjusted for non-cash expenses such as share-based compensation, amortization, depreciation, etc. The use of proceeds also includes certain fees and expenses payable in connection with the business combination and TSXV listing incurred prior to November 23, 2021. Proceeds used for strategic investments relate to the Company's investment in Verif-y and the cash consideration included in the Coinmama acquisition.

Outstanding Share Data

As of the date of this MD&A, the Company's authorized share capital consists of an unlimited number of common and preferred shares. The Company had the following securities outstanding as at August 29, 2022:

Type	Outstanding
Common shares	125,355,789
Stock options	300,000
Warrants	11,037,689
Restricted share units	1,368,000
	138,061,478

Additional Information

Additional information relating to the Company, including the Consolidated Financial Statements, is available on SEDAR at www.sedar.com

Forward-Looking Statements

Examples of forward-looking statements in this MD&A include, but are not limited to, statements in respect of: the Company's business objectives; the Company's revenues, operating costs and tariffs, taxes and fees; the Company's long-term growth and development plans; the impact of the ongoing COVID-19 crisis; the decentralized finance and blockchain sectors in general; the Company's ability to develop various financially-viable decentralized finance software applications; the sufficiency of the Company's cash and cash generated from operations to meet its working capital and capital expenditure requirements; the ability of the Company to raise funds in the future; the impact of fluctuation of currencies in relation to the Canadian dollar on the profitability of the Company and the value of the Company's assets, liabilities, and the amount of shareholders' equity; the effect of a 10% fluctuation in foreign currencies against the Canadian dollar on the Company; the number of common shares of the Company held by Coinmama's former securityholders following the CM Transaction; that no new control persons will be created following the CM Transaction; the development of MoneyClip's software and the feasibility of a blockchain powered wallet; the increase in Seamless' development costs; the Company's ability to generate revenue during the second half of 2022; that Coinmama can operate on a cash flow positive basis; the launch of Seamless' initial suite of solutions in 2022; the launch of the Coinmama mobile application in the second half of 2022; the expected timing of the reversal of deferred tax assets and liabilities and the deferral and deductibility of certain items; future earnings; the cash generating unit's future cash flows; the share price volatility rate, risk-free rate, dividend yield, and expected life of the option; the fair value of the identifiable assets acquired and liabilities assumed; the number of users acquired, the timing of revenue generating activities; the expected revenue per user; total expenditures required to carry out business plans; and the effect that each risk factor will have on the company.

The Company cautions readers that the foregoing list may not contain all of the forward-looking statements made in this document. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ materially from those expressed in, or implied by, these forward- looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits the Company will derive therefrom. These forward-looking statements involve risks and uncertainties relating to, among others: market price and demand of cryptocurrency; the impact of the on-going COVID-19 crisis; continued availability of capital financing and general economic, market or business conditions; the Company's ability to execute its business plans; changes in laws, regulations and guidelines including taxes and fees; changes in government and government policy; increased competition in the cryptocurrency market; the limited operating history of the Company; the Company's reliance on key persons; the failure of counterparties to perform contractual obligations; the difficulty in securing additional financing; results of litigation; performance of the Company's products; changes in the Company's over-all business strategy; and the Company's assumptions stated herein being correct.

Readers are cautioned that the foregoing list of factors is not exhaustive. When relying upon our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this document are made as at the date of this document and Wellfield does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.