

**MINEHUB TECHNOLOGIES INC.**  
**Management's Discussion and Analysis**  
For the six months ended July 31 2021 and 2020

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This Management Discussion and Analysis ("MD&A") is an overview of the activities of MineHub Technologies Inc. (the "Company" or "MineHub") and its subsidiaries for the six months ended July 31, 2021 and 2020. In order to better understand the MD&A, it should be read in conjunction with the Company's condensed consolidated interim financial statements and related notes for the six months ended July 31, 2021 and 2020.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise. The effective date of this MD&A is September 22, 2021. This MD&A contains statements that constitute "forward-looking statements" and other cautionary notices (refer to "Forward Looking Statements and Estimates" on page 7).

## **DESCRIPTION OF BUSINESS AND OPERATIONS**

The Company was incorporated on February 19, 2018 under the laws of British Columbia and has its registered office at Suite 400, 725 Granville Street, Vancouver, BC, Canada. The Company's head office is located at Suite 717, 1030 West Georgia Street, Vancouver, BC, Canada.

The Company's principal business is the development and operation of a technology platform for digital trade for the global mining and metals supply chain. On September 7, 2021, the Company's common shares began trading on the TSX Venture Exchange ("TSX-V") under the ticker MHUB.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company and its operations in future periods.

### *Technology Platform*

On July 3, 2018, the Company, along with a syndicate of strategic industry partners including Goldcorp Inc., ING Bank NV, Ocean Partners (USA), Inc. ("**Ocean Partners**"), Wheaton Precious Metals Corp. and Kutcho Copper Corp. agreed to the terms of a syndicate letter (the "**Syndicate Letter**"). Under the terms and conditions of the Syndicate Letter, each syndicate member was issued 1,500,000 common shares in the capital of the Company ("**Common Shares**") in consideration for the provision of technical input and assistance to the Company for a two year period on a reasonable as needed basis, such Common Shares to vest pursuant to the following vesting schedule: 67% or 1,000,000 Common Shares to vest at the end of two years from the date of issuance; and the remaining 33% or 500,000 Common Shares to vest three years from the date of issuance. On February 5, 2020, the Company and Newmont Mining Company (successor to Goldcorp Inc.) entered into a letter agreement confirming the termination of the Syndicate Letter, as it related to Newmont Mining Company. In accordance with the terms of the Syndicate Letter, the 1,500,000 Common Shares registered in the name of "Goldcorp Inc." that had yet to vest were surrendered back to the Company. On February 8, 2021, the remaining 500,000 Common Shares having yet to vest to Ocean Partners pursuant to the terms of the Syndicate Letter were cancelled.

On December 18, 2018, the Company entered into an agreement with IBM to collaboratively develop the MineHub Platform to track and trace minerals from miners to end buyers. In January 2019, the Company allocated US \$581,000 (CAD \$763,666) into an irrevocable letter of credit ("**LOC**") in favor of IBM as a beneficiary held by a major Canadian bank. During the year ended January 31, 2020, the full amount of the LOC was used to fund the development of the platform performed by IBM. The Company has engaged and has been working with IBM Nederland B.V. and other various vendors to continue in the development process of the MineHub Platform.

On May 7, 2020, the Company announced its collaboration with global paperless provider essDOCS. On October 23, 2020, the Company announced that an iron ore transaction between Vale and China Baowu had been completed based on the MineHub Platform and essDOCS' CargoDocs system.

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On June 29, 2020, the Company announced that BHP Group and China Baowu had completed their first iron ore trade on the MineHub Platform, reflecting MineHub's development approach – hands-on collaboration and continuous validation with industry – to ensure that the MineHub Platform delivers on the value and user experience expectations.

On December 18, 2020, Romco Group Ltd., a clean-tech metals recycling company based in London, England, signed an agreement to become a user of the MineHub Platform.

*Financings*

On March 1, 2021, the Company issued 200,000 common shares of the Company with a fair value of \$100,000 for prepaid services. On March 15, 2021, the Company issued 156,000 common shares of the Company with a fair value of \$78,000 for prepaid services.

On April 1, 2021, the Company issued 400,000 common shares of the Company at a price of \$0.375 per share for gross proceeds of \$150,000. The fair value of the shares was determined to be \$0.50 per share and accordingly, stock-based compensation expense of \$50,000 for the difference in fair value was recognized. On April 13, 2021, the Company issued 4,780,000 common shares of the Company at a price of \$0.50 for gross proceeds of \$2,390,000. In connection with the issuances, the Company incurred cash share issuance costs of \$14,950.

On June 10, 2021, the Company issued 9,200,000 subscription receipts ("Subscription Receipts") in connection with a brokered private placement of (the "Brokered Subscription Receipt Financing") and issued 919,350 Subscription Receipts in connection with a concurrent non-brokered private placement of (together with the Brokered Subscription Receipt Financing, the "Subscription Receipt Financing"). The Brokered Subscription Receipt Financing was led by Haywood Securities Inc., as lead agent, and included BMO Nesbitt Burns., Eventus Capital Corp., Canaccord Genuity Corp. and Red Cloud Securities Inc. (collectively, the "Agents"). In connection with the Subscription Receipt Financing, the Company issued an aggregate of 10,119,350 Subscription Receipts at a price of \$1.00 per Subscription Receipt and received aggregate gross proceeds of \$10,119,350. The gross proceeds from the sale of the Subscription Receipts, less certain fees and expenses of the Agents as described herein, were deposited into escrow and held by Odyssey Trust Company in a separate interest bearing account (the "Escrowed Funds") pursuant to a subscription receipt agreement dated June 10, 2021 (the "Subscription Receipt Agreement"), with such Escrowed Funds not to be released until the satisfaction of the Escrow Release Conditions (as defined in Subscription Receipt Agreement ) at which time the balance of the Escrowed Funds together with the interest earned therein would be accessible by the Company. Pursuant to the Subscription Receipt Agreement, upon satisfaction of the Escrow Release Conditions, each Subscription Receipt would be automatically converted and immediately thereupon cancelled, without any further action by the holder of such Subscription Receipt, and for no additional consideration, into one Common Share. The Company concurrently filed a prospectus with the securities regulatory authorities in each of the provinces of British Columbia, Alberta and Ontario (the "Qualifying Jurisdictions") for the purpose of allowing MineHub to become a "reporting issuer" in each of the Qualifying Jurisdictions pursuant to applicable securities legislation. The Company applied for approval from the TSX Venture Exchange for the listing of its outstanding Common Shares, including the Common Shares underlying the Subscription Receipts.

In connection with the brokered private placement, the Company paid \$50,000 in cash and issued 50,000 common shares with a fair value of \$50,000 to finders and incurred legal costs totaling \$76,174 in connection with the placement, all of which are included with prepaid expenses as deferred financing costs on the condensed consolidated interim statement of financial position as at July 31, 2021.

On August 26, 2021, the Company satisfied the Escrow Release Conditions relating to the private placements including the acceptance of the Company's final prospectus dated August 18, 2021, and conditional approval from the TSX-V to list the issued and outstanding common shares of the Company. Accordingly, 10,119,350 common shares were issued to the holders of the subscription receipts and \$9,391,647 in cash was released from escrow, which represents the net proceeds after accounting for additional cash agents and other fees of \$727,703.

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The Company will use the Escrowed Funds for the development of its block-chain platform and related enterprise solutions, general and administrative expenses and working capital purposes.

*Other Business*

On January 15, 2021, the Company and Eventus Capital Corp. ("Eventus") entered into a fiscal advisory agreement. Under the terms of the agreement, Eventus agreed to provide general consulting and support services as the Company and Eventus may mutually agree upon from time to time in connection with the analysis of equity and debt markets insofar as the same relate to the Company, future equity and/or debt financings, private placements, financial negotiations and capital restructurings of the Company. Eventus also agreed to provide specific services to the Company as the Company's fiscal advisor. In consideration for the services to be rendered by Eventus, the Company issued Eventus an aggregate of 1,000,000 share purchase warrants of the Company of which 500,000 warrants have an exercise price of \$0.25 per Common Share and 500,000 warrants have an exercise price of \$0.50 per Common Share, all of which will have an expiry date that is one year from the date that the Company completes a listing of its Common Shares on a Canadian stock exchange. In addition, in the event the Company completes an equity or debt financing, and/or in the event the Company completes any reorganization, merger or similar form of corporate action within the time period of the agreement with Eventus, the Company agreed to pay to Eventus a fee of 1% + 5% GST of the total gross amount of any such transaction.

On April 1, 2021, the Company and SC Strategy Consult AG ("SC Consult") entered into an amended and restated consulting agreement, amending and restating an earlier agreement between the parties dated March 1, 2021. Pursuant to the terms of the amended agreement, SC Consult agreed to *inter alia*, provide strategic and financial consulting services to the Company for Europe & Switzerland with the goal of introductions to institutional and retail investors for the purpose of financing the Company. In consideration for their services, the Company agreed to pay fees as agreed between the Company and SC Consult from time to time during the term of the agreement, being two years from the effective start date of March 1, 2021, and to issue to SC Consult 700,000 warrants, each warrant exercisable for a period of 2 years into a Common Share at a price of \$0.50 per Common Share.

On April 15, 2021, BHP Billiton Marketing A.G. (Singapore Branch) ("BHP") and MineHub entered into a user agreement pursuant to which BHP became a user of the MineHub platform.

On May 3, 2021, the Company and Red Cloud Financial Services Inc. ("RCFS") and Red Cloud Securities Inc. ("RCS", and together with RCFS, "Red Cloud") executed a letter agreement to confirm the appointment of RCFS and RCS as non-exclusive independent contractors to the Company with RCFS to provide marketing and similar advisory services for the Company, for a term of six months and subject to renewal upon mutual agreement of the parties. In consideration for the services provided by Red Cloud under the agreement, the Company agreed to pay to RCFS a marketing fee payable through the issuance of 75,000 Common Shares and if the agreement is extended, a fee of \$10,000 per month for the duration of the agreement. In the event that an equity offering involving an party introduced by Red Cloud is consummated during the term of the agreement or within a period of six months thereafter, the Company will pay to RCS a cash commission that is equal to 6.0% of the gross proceeds raised from the sale of securities and finders warrants exercisable for a period of 24 months following such closing date, to acquire in aggregate that number of Common Shares or other securities of the Company sold which is equal to 6.0% of the number securities sold.

On May 7, 2021, the Company and Kimura Capital Inc. ("Kimura"), an asset management firm located in London, England, entered into a partnership agreement (the "Kimura Agreement") to collaborate on building and powering the MineHub platform. Pursuant to the terms of the Kimura Agreement, Kimura will become a client of the MineHub platform, and Kimura and MineHub will jointly develop and implement a joint strategy and roadmap for the partnership and roll-out by Kimura of the MineHub platform across Kimura's portfolio as well as to identify and define further opportunities to enhance the MineHub platform's offerings.

On September 2, 2021, the Company entered into an agreement with Native Ads, Inc., to provide strategic digital media services, marketing and data analytics services to the Company. The Company has agreed to pay Native Ads a total initial fee of \$150,000 over an expected 24-month period.

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**OVERALL PERFORMANCE**

MineHub has incorporated with the view to developing a platform for digital trade in the mining and metals supply chain built on blockchain technology. The Company's activities to date have been focused on progressing the development of the program. Since incorporation, the Company has financed its growth through equity and debt financing. To date, the monies raised have been expended on the development of its program and corporate overhead costs.

The performance of the company to date has been dictated by the extent of development activities in the periods under discussion and do not necessarily indicate future trends in spending or financial requirements.

**SELECTED FINANCIAL INFORMATION**

	<b>Three months ended July 31, 2021</b>	<b>Three months ended July 31, 2020</b>
Revenue	\$ -	\$ 20,662
Net and comprehensive loss	(1,872,987)	(277,405)
Net loss per share (basic and diluted)	(0.03)	(0.01)
Total assets	11,000,499	957,928
Total non-current financial liabilities	786,537	678,859

The Company has recorded losses in all fiscal periods to date and expects to continue to record losses until such time as its platform is fully commercialized. The period-to-period variations resulted from the extent of expenditures on the development of the platform.

**RESULTS OF OPERATIONS AND FINANCIAL SUMMARY**

The net losses for the three months ended July 31, 2021 and 2020 are summarized below:

	<b>Three months ended July 31, 2021</b>	<b>Three months ended July 31, 2020</b>
Revenue	\$ -	\$ 20,662
Administration services	19,500	18,000
Consulting	197,006	33,381
Finance expense	105,640	4,000
Interest expense	55,040	18,310
Development costs	751,174	150,000
Management fees	159,636	95,725
Marketing	94,925	1,314
Office and miscellaneous	65,848	10,286
Payroll expenses	60,777	-
Professional fees	161,368	9,165
Regulatory fees	15,008	-
Stock-based compensation	181,406	506
Foreign exchange (gain) loss	5,659	(42,620)
Loss for the period	\$ 1,872,987	\$ 277,405

Revenue in the 2021 financial year was generated from the use of the Company's platform. The increase in consulting fees in the second fiscal quarter of 2022 over the comparative fiscal quarter resulted from the hiring of additional part-time individuals on contract. The increased development costs incurred in 2022 were due to the Company engaging IBM Netherlands and other vendors to continue the development work of the Company's platform.

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Management fees increased in the first fiscal quarter of 2022 as a result of some changes in management. Correspondingly, the Company employed additional staff, hence the payroll costs in 2022 with no such costs in 2021. Finance and interest expenses relate to debt financing raised in prior fiscal periods and other financing costs described above. Office costs and professional fees, comprising legal and accounting costs, increased in the second fiscal quarter of 2022 over the comparative fiscal quarter due to increased corporate activity. Stock-based compensation relates to the valuation of stock options granted to directors, officers, employees and consultants.

The net losses for the six months ended July 31, 2021 and 2020 are summarized below:

	Six months ended July 31, 2021	Six months ended July 31, 2020
Revenue	\$ -	\$ 27,771
Administration services	34,500	36,000
Consulting	355,506	33,381
Finance expense	196,434	49,800
Interest expense	154,781	36,255
Development costs	1,338,679	150,000
Management fees	290,889	186,455
Marketing	94,925	3,950
Office and miscellaneous	158,061	24,495
Payroll expenses	113,264	-
Professional fees	272,747	21,644
Regulatory fees	15,263	5
Stock-based compensation	415,838	1,000
Travel	886	8,849
Foreign exchange (gain) loss	(7,991)	27,093
Loss for the period	\$ 3,433,782	\$ 551,156

Rationale for the changes in the first two fiscal quarters of 2022 compared with 2021 are similar to those explained above for the second quarters of each fiscal years.

**SUMMARY OF QUARTERLY RESULTS**

Quarter ended	Net loss	Net loss per share (Basic and diluted)
July 31, 2021	\$ (1,872,987)	(0.03)
April 30, 2021	(1,560,795)	(0.03)
January 31, 2021	(1,502,956)	(0.04)
October 31, 2020	(1,190,983)	(0.03)
July 31, 2020	(277,911)	(0.01)
April 30, 2020	(273,751)	(0.01)
January 31, 2020	(590,549)	(0.01)
October 31, 2019	(810,725)	(0.03)

The variances in the quarterly net losses resulted generally from variances in contractual obligations related to development costs incurred in the relative quarter.

## **CAPITAL RESOURCES AND LIQUIDITY**

The Company's activities have primarily been funded to date through the issuance of Common Shares pursuant to private placements and various loans as mentioned above. As at July 31, 2021, the Company had cash and restricted cash of \$10,260,216 and negative working capital of \$1,936,034.

The Company used \$2,315,363 of cash towards operating expenses during the six months ended July 31, 2021, compared with \$587,520 in the comparative fiscal period of 2021. The Company raised an aggregate of \$2,000,050 in net proceeds from non-brokered private placements and other funding during the six months ended July 31, 2021 and after repaying a short-term debt of \$525,000 (six months ended July 31, 2020 – net \$1,493,860) as described above.

The Company will need additional funding for its project, corporate and overhead expenses in the near future. Management is continually assessing the Company's cash needs and potential sources of financing but recognizes there may be some difficulty obtaining such financing due to the current market conditions. There can be no certainty that such additional funds may be raised when required.

## **RISKS AND UNCERTAINTIES**

Due to risks and uncertainties, including the risks and uncertainties identified below and elsewhere in this MD&A, actual events may differ materially from current expectations.

The Company currently depends on raising additional capital to fund ongoing operations. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such financing could result in a material adverse effect, delay or indefinite postponement of further exploration and development of our projects. Further, any additional financing by the Company may subject existing shareholders to substantial dilution.

Technology companies face a variety of risks and, while unable to eliminate all of them, The Company aims at managing and reducing such risks as much as possible. Few Companies with new innovative projects successfully achieve commercial implementation, due to factors that cannot be accurately be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed.

The Company is at risk from changes in general economic conditions and financial markets, changes to favorable tax incentives, grants, loan guarantees and investment tax credits, changes in technology, and operational hazards in the Company's development activities, the timing and availability of financing, governmental and other approvals, and other risk factors listed from time to time by the Company. The Company may have difficulty in attracting and retaining suitable employees. These factors may impact upon the Company's ability to finance its programs and to carry out operations.

## **TRANSACTIONS WITH RELATED PARTIES**

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Company's Board of Directors and the executive leadership team. At July 31, 2021, the executive leadership team consisted of Vince Sorace, Executive Chairman, Arnoud Starr Busmann, CEO, Mathijs Bulten, COO, Gavin Cooper, CFO and Hugh Halford-Thompson, VP Product. Total compensation expense for key management personnel and the composition thereof, is as follows:

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	Three Months Ended July 31		Six Months Ended July 31,	
	2021	2020	2021	2020
Aggregate cash compensation	\$ 186,841	\$ 175,408	\$ 345,759	\$ 188,453
Stock-based compensation	197,083	1,000	259,643	1,000
	<u>\$ 383,924</u>	<u>\$ 176,408</u>	<u>\$ 605,402</u>	<u>\$ 189,453</u>

At July 31, 2021, included in accounts payable and accrued liabilities is \$46,904 (January 31, 2021 - \$Nil) due to directors and officers or companies controlled by directors and officers. These amounts are unsecured, non-interest bearing and have no fixed payment terms.

### **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

### **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

Financial instruments carried on the statement of financial position include cash, amounts receivable, accounts payable and accrued liabilities, loans and convertible debentures. The fair value of the remaining instruments approximates their carrying value. The Company does not have any hedging activities.

### **OUTSTANDING SHARE DATA**

The authorized capital of the Company consists of an unlimited number of Common Shares.

At the effective date of this MD&A, the Company had 60,542,221 Common Shares, 5,050,000 stock options, expiring between September 1, 2025 and September 2, 2026, and 5,384,944 purchase warrants outstanding. If all stock options and warrants were exercised, a total of 70,977,165 Common Shares would be issued and outstanding.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements which may affect the Company's current or future operations or conditions.

### **INVESTOR RELATIONS**

The Company has engaged Native Ads, Inc. to provide promotional and investor relations services.

### **FORWARD LOOKING STATEMENTS AND ESTIMATES**

Except for statements of fact related to the Company, certain statements made herein may constitute "Forward-Looking Statements". These include, but are not limited to, statements respecting anticipated business activities, planned expenditures, corporate strategies, and investigation and acquisition of new projects. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate," and other similar words, or statements that certain events or conditions "may" or "will" occur. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. Forward looking statements are based on the beliefs, opinions and estimates of management at the date the statements are made, current expectations at that date - and these by

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their inherent nature entail various risks, uncertainties and other unknown factors. Consequently, there can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Some important factors that could cause actual results to differ from these forward-looking statements include those described under the heading "Risks and Uncertainties" contained immediately before this section. Therefore the reader is cautioned not to place undue reliance on forward-looking statements. Further, the Company disclaims any obligation or intention to update or to revise any forward-looking statement, whether as a result of new information, of future events, or otherwise except as may be required under applicable securities legislation.

**APPROVAL**

The Board of Directors of the Company has approved the disclosure contained in this management discussion and analysis.

**DISCLAIMER**

The information contained within this discussion, by its very nature, is not a thorough summary of all matters and developments concerning the Company. This information should be considered with all of the disclosure documents of the Company. The information contained herein is not a substitute for a detailed investigation or an analysis of any issue related to the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented. Further, certain data included in this document may be historical in nature. Consequently, it may not have been verified by the Company's technical staff, and therefore it should not be relied upon.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com).