Cathedra Bitcoin Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

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Introduction

The following management's discussion and analysis (this "MD&A") of the financial condition and results of the operations of Cathedra Bitcoin Inc. ("Cathedra", "we", "our" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2025. This MD&A is intended to help the reader understand the Company, our operations, financial performance, current and future business environment and the opportunities and risks facing the Company. The risks are explicitly set out in the "Business Risks and Uncertainties" section of this MD&A. In addition, certain statements in this MD&A incorporate forward-looking information and readers are advised to review the cautionary note regarding forward-looking statements in the "Forward-Looking Statements" of this MD&A.

This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the unaudited condensed consolidated interim financial statements ("Financial Statements") of the Company for the three and nine months ended September 30, 2025, and the related notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the reporting period are not necessarily indicative of the results that may be expected for any future period. The financial statements and the financial information contained in this MD&A were 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 ("IFRIC"). Further information about the Company and its operations can be obtained from SEDAR+ on www.sedarplus.ca.

This MD&A contains information up to and including November 13, 2025.

Forward-Looking Statements

This MD&A contains certain "forward-looking information" within the meaning of Canadian securities legislation. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made, and they involve a number of assumptions, risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The forward-looking information includes information about our growth or expansion plans regarding mining digital currencies and businesses that may not come to fruition. Forward-looking information involving the costs and future revenues from mining bitcoin are dependent on market factors, including but not limited to the price of bitcoin, network hash rate, and difficulty, that are beyond our control and may differ materially from our assumptions.

Forward-looking information includes information about our plans for future acquisitions; the expected electrical consumption and tariffs at our various data centers; additional opportunities to be identified in the future to contribute to growth of revenue and mining equipment; our business goals and objectives, and other forward-looking information including but not limited to information concerning the intentions, plans and future actions of the Company. The forward-looking information in this MD&A reflects the current expectations, assumptions, and/or beliefs of the Company based on information currently available to us that are all subject to change. In connection with the forward-looking information contained in this MD&A, we have made assumptions about our ability to mine bitcoin; and that there will be no regulation or law that will prevent or significantly hinder us from operating our business. We have also assumed that no significant events will occur outside of our normal course of business. Although we believe that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance, and accordingly, undue reliance should not be put on such information due to the inherent uncertainty therein.

Overview

Cathedra Bitcoin Inc. (TSX-V: CBIT; OCTQB: CBTTF) develops and operates power and digital infrastructure assets across North America. The Company hosts bitcoin mining clients across its portfolio of three data centers (30 megawatts total) in Tennessee and Kentucky. In late October 2025, the Company completed construction of a new 15-megawatt (MW) data center in Kentucky, increasing our power capacity by 50%. Cathedra also operates a fleet of proprietary bitcoin mining machines at its own and third-party data centers, producing approximately 400 PH/s of hash rate. Cathedra is headquartered in Vancouver and its subordinate voting shares trade on the TSX Venture Exchange under the symbol "CBIT" and on the OTCQB Venture Market under the symbol CBTTF.

On July 23, 2024, the Company completed a business combination (the "Kungsleden Merger") with Kungsleden, Inc. ("Kungsleden"), a developer and operator of alternative high-density compute infrastructure.

Recent Developments

Cancellation of Lease

On October 31, 2025, the Company cancelled its lease on one of the data centers used for proprietary mining operations.

Expansion of Power and Infrastructure

In late October 2025, the Company completed the construction of a new 15-megawatt (MW) data center to expand the existing 10MW site nearby.

Executive Leadership Changes

On July 10, 2025, we appointed Joel Block as Chief Executive Officer and Chairman of the Board of Directors. Concurrently, Antonin Scalia (former CEO) and Thomas Armstrong (former President and COO) resigned from their executive and Board roles but will remain as advisors during a transition period.

On May 7, 2025, we purchased for cancellation an aggregate of 437,500 subordinate voting share purchase warrants for an aggregate amount of US$75,002 (103,430 CAD). The warrants had an exercise price of $0.12.

Cancellation of Subordinate Voting Share Purchase Warrants

On March 19, 2025, we repurchased and cancelled 363,233 subordinate voting share purchase warrants in connection with a broader debt refinancing, described above. The warrants had an exercise price of $0.12.

Refinancing of Convertible Debentures

On March 19, 2025, we extinguished the $5,733,728 of remaining principal of our outstanding 3.5% senior secured convertible debentures due November 11, 2025, originally issued on November 11, 2021 (the "Debentures"), by prepaying $4,586,982 plus accrued interest. This prepayment implies a 20% discount to par on the outstanding principal of the Debentures. In addition, the holder of the Debentures agreed to surrender 363,233 subordinate voting share purchase warrants of the Company for cancellation. Concurrently, we entered into a new loan (the "New Loan") of US$2,494,693 to partially repay the outstanding principal amount of the Debentures. The New Loan was secured by approximately 50 of our bitcoin; accrued interest at a rate of 13% per annum, payable monthly; and was interest-only until maturity on March 18, 2026. On July 17, 2025, the Company prepaid the New Loan in full.

Formation of New Subsidiaries

In January 2025, we formed the following legal entities in preparation for prospective development of new hosting sites:

- Buckeye HPC Holdings LLC and its wholly owned subsidiary, Buckeye HPC LLC. Buckeye HPC Holdings LLC is a wholly owned subsidiary of the Company.
- Buckeye Technologies HoldCo LLC and its wholly owned subsidiary, Buckeye Technologies OpCo LLC. Buckeye Technologies HoldCo LLC is a wholly owned subsidiary of Kungsleden, Inc.

Sale of Tirpitz Technologies Hold Co ("T Tech")

We formed T Tech in November 2023, initially holding a 100% interest. On January 10, 2024, it reorganized and gave up majority interest in exchange for contribution promises.

Subsequently the Company together with other members of T Tech decided to sell T Tech. The Board of Managers of T Tech, consisting of the Company's majority shareholders, approved the sale of assets before December 31, 2024. Accordingly, the assets and liabilities directly associated with those assets were classified as held for sale as of December 31, 2024.

The Company received partial consideration from the sale of T Tech during the nine months ended September 30, 2025. The Company fulfilled the final condition of the sale in September 2025 and recognized a loss on disposal of subsidiary of $51,427. T Tech was de-consolidated effective March 1, 2025 subsequent to receipt of a portion of the consideration and takeover by the buyer, accordingly assets classified as held for sale, liabilities directly associated with those assets and non-controlling interest were de-recognized.

Factors Affecting Our Results of Operations

Our performance and future success depend on a number of factors that present significant opportunities for us. These factors also pose risks and challenges, including those discussed in the "Business Risks and Uncertainties" section of this MD&A.

Market Value of Bitcoin

Our revenue from bitcoin mining is impacted by changes in the market value of bitcoin, which has historically experienced substantial volatility. We record revenue upon receipt of bitcoin from our mining activities at the fair market value of bitcoin received. The fair market value is determined using the spot price of the coin on the date of receipt, based on the daily average from https://coinmetrics.io/ ("Coin Metrics"). A decrease in the market value of bitcoin may have a material and adverse effect on our results of operations and financial condition.

Bitcoin Network Difficulty

The difficulty of bitcoin mining, or the amount of computational resources required to append a new block on the Bitcoin blockchain and thereby earn the associated mining rewards, directly affects our results of operations. Bitcoin mining difficulty is a measure of how much computing power is required to record a new block, and it is affected by the total amount of computing power dedicated to confirming transactions on the Bitcoin network. The Bitcoin protocol is designed such that one block is generated, on average, every ten minutes, no matter how much computing power is dedicated to confirming transactions on the network. Thus, as more computing power joins the network, the amount of computing power required to generate each block, and hence the mining difficulty, also increases.

Further, the block subsidy component of the Bitcoin network's mining rewards is programmed to be halved every 210,000 blocks mined, or approximately every four years (the "Halving"). The Halving reduces the issuance of new coins awarded to miners over time according to a pre-determined schedule. This reduction in the block subsidy spreads out the issuance of new units of bitcoin over a long period of time, resulting in an ever-smaller number of coins being mined. Bitcoin Halvings impact the amount of bitcoin we mine, which in turn may have a potential impact on our profitability, as Halvings transpire without any regard to ongoing demand. The latest Halving occurred on April 19, 2024, and the next Halving is expected to occur in 2028.

Power Supply and Pricing

Our operations are directly dependent on securing sufficient electrical power at competitive prices. Electricity is one of the most significant expenses incurred to run our bitcoin mining operations, and our profitability is subject to variations in the price of electricity, which is impacted by a variety of factors. We may experience loss of revenue in the event there are disruptions to our electricity supply, as such disruptions may impact our ability to operate our mining equipment.

(Expressed in Canadian dollars, unless otherwise noted)

Industry Trends

Bitcoin and other digital assets have been the focus of much regulatory attention, resulting in differing definitional outcomes without a single unifying statement. Changes to, and/or implementation of, laws and regulations (including regulatory scrutiny that increases our compliance burden) related to digital assets and digital asset mining may impact our revenue and profitability.

Technology

Developments and changes in technology impact the revenue generated by our bitcoin mining operations. Advances in bitcoin mining equipment may result in more efficient and effective mining equipment, which may affect our operating costs and revenue. The release of more efficient mining equipment can impact the price of bitcoin mining machines. Failure to leverage these developments in technology may place us at a disadvantage to our competitors and affect our results of operations.

Competition

The market for bitcoin mining has seen increasing numbers of new entrants, as well as existing entrants investing in new technology to remain competitive. The combination of these factors may result in a higher Bitcoin network difficulty, which may render our operations less competitive and reduce the amount of revenue we generate from our bitcoin mining operations.

Results of Operations

The following table highlights our quarterly results for the eight most recently completed quarters:

	Three months ended			
	September 30, 2025	**June 30, 2025**	**March 31, 2025**	**December 31, 2024**
	$	**$**	**$**	**$**
Total revenue	5,511,929	5,183,340	6,503,290	5,722,540
Net income / (loss)	(784,470)	(4,178,396)	(133,745)	1,681,909
Comprehensive income / (loss)	(321,667)	(624,868)	(1,078,186)	1,889,978
Basic earnings (loss) per share	(0.03)	(0.15)	(0.01)	0.07
Diluted earnings (loss) per share	(0.03)	(0.15)	(0.01)	0.07

	Three months ended			
	September 30, 2024	**June 30, 2024**	**March 31, 2024**	**December 31, 2023**
	$	**$**	**$**	**$**
Total revenue	5,857,825	5,696,309	5,867,049	5,548,664
Net income / (loss)	(4,040,147)	1,146,369	1,527,974	1,344,512
Comprehensive income / (loss)	(3,278,800)	1,258,862	1,599,188	1,382,067
Basic earnings (loss) per share	(0.15)	0.05	0.05	0.03
Diluted earnings (loss) per share	(0.15)	0.05	0.05	0.03

(Expressed in Canadian dollars, unless otherwise noted)

Comparative Results for the three months ended September 30, 2025, and 2024

The following table presents information about the results of our operations during the three months ended September 30, 2025, and 2024:

		September 30, 2025		September 30, 2024	Variance $	Variance %
Revenues	$	5,511,929	$	5,861,399	(349,470)	(6.0%)
Cost of revenues						
Operating costs		(3,949,167)		(3,647,268)	(301,899)	8.3%
Depreciation		(1,087,998)		(1,325,398)	237,400	(17.9%)
Gross income	**$**	**474,764**	**$**	**888,733**	**(413,969)**	**(46.6%)**
Realized loss on sale of digital currencies		(181,699)		(2,022)	(179,677)	8,886.1%
Income before operating expenses	**$**	**293,065**	**$**	**886,711**	**(593,646)**	**(66.9%)**
Operating expenses						
Director fees		66,932		53,015	13,917	26.3%
Management and consulting fees		960,914		115,251	845,663	733.8%
Office and administration		162,699		149,556	13,143	8.8%
Professional fees		289,964		547,689	(257,725)	(47.1%)
Salaries and wages		41,825		129,151	(87,326)	(67.6%)
Share-based compensation		178,613		93,605	85,008	90.8%
Travel		28,835		74,377	(45,542)	(61.2%)
Total operating expenses	**$**	**(1,729,782)**	**$**	**(1,162,644)**	**(567,138)**	**48.8%**
Operating loss	**$**	**(1,436,717)**	**$**	**(275,933)**	**(1,160,784)**	**420.7%**
Other income (expenses)						
Foreign exchange gain (loss)		860,972		(984,025)	1,844,997	(187.5%)
Net finance costs		(156,254)		(1,546,806)	1,390,552	(89.9%)
Transaction costs		–		(341,841)	341,841	(100.0%)
Other expense		(1,044)		–	(1,044)	100.0%
Revaluation loss on digital currencies		–		(145,799)	145,799	(100.0%)
Loss on disposal of subsidiary		(51,427)		–	(51,427)	100.0%
Loss from continuing operations before income taxes	**$**	**(784,470)**	**$**	**(3,294,404)**	**2,509,934**	**(76.2%)**
Current income tax expense		–		(9,044)	9,044	(100.0%)
Loss from discontinued operation		–		(736,699)	736,699	(100.0%)
Net loss	**$**	**(784,470)**	**$**	**(4,040,147)**	**3,255,677**	**(80.6%)**
Other comprehensive income (loss)						
Items that may be reclassified to income or loss:						
Exchange differences on translation of foreign operations		(502,410)		817,805	(1,320,215)	(161.4%)
Exchange differences on translation of discontinued operation		–		(56,458)	56,458	(100.0%)
Item that will not be reclassified to income or loss:						
Revaluation gain on digital currencies		965,213		–	965,213	100.0%
Total comprehensive loss	**$**	**(321,667)**	**$**	**(3,278,800)**	**2,957,133**	**(90.2%)**

Bitcoin Production

Our mining operations earned 13.69 bitcoin during the three months ended September 30, 2025, compared to 16.63 bitcoin during the three months ended September 30, 2024, a decrease of 2.94 bitcoin. The decrease in bitcoin earnings is primarily due to fewer bitcoin machines operating at our owned and leased locations, which has been caused by issues like operational disruptions, including power outage.

Revenue

<u>Mining Revenue</u>

Digital currencies are recorded at their fair value on the date they are received as revenues and are revalued to their fair value at each reporting date. Fair value is determined by using the daily price of bitcoin from Coin Metrics.

For the three months ended September 30, 2025, the Company generated mining revenue of $2.2 million (2024 - $1.4 million). The growth in mining revenue is largely attributable to the substantial rise in bitcoin prices between the two reporting periods, which compensated for adverse factors such as a decrease in the quantity of bitcoin earned.

(Expressed in Canadian dollars, unless otherwise noted)

Hosting Revenue

During the three months ended September 30, 2025, the Company generated hosting revenue of $3.4 million (2024 - $4.5 million). Two tenants ended their contracts at two data centers, causing temporary unused capacity and reduced hosting revenue. We used our own machines and those of a new tenant to offset the gap.

The Company receives monthly prepayments and short-term or long-term deposits from various customers according to the terms of hosting arrangements. The monthly prepayments are classified as contract liabilities, and deposits are classified as customer liabilities in the condensed consolidated interim statements of financial position.

Cost of Revenues

Operating costs (cost of revenues) for the three months ended September 30, 2025, were $5.0 million, unchanged from the same period in 2024.

Depreciation expense (cost of revenues) for the three months ended September 30, 2025, was $1.1 million compared to $1.3 million during the three months ended September 30, 2024, a decrease of $0.2 million. The decrease results from property and equipment reaching the end of their useful lives.

Operating Expenses

Our operating expense composition has changed considerably since the completion of the Kungsleden Merger on July 23, 2024. Consequently, comparing the current period with the prior year period is not meaningful.

Foreign Exchange Gain (Loss)

We carry material intercompany balances denominated in the US dollars that are re-translated to a functional currency of Canadian subsidiaries at each reporting period end date. Foreign exchange gain during the three months ended September 30, 2025, was $0.9 million compared to a foreign exchange loss of $1.0 million during the three months ended September 30, 2024, an increase of $1.9 million. The foreign exchange gain increased mainly because the US dollar weakened against the Canadian dollar in the quarter ended September 30, 2025.

Net Finance Costs

Interest expense during the three months ended September 30, 2025, was $0.2 million compared to $1.5 million during the three months ended September 30, 2024, a decrease of $1.3 million. The decrease was primarily due to a one-time financing fee charge associated with the repricing of certain of Cathedra's outstanding warrants during September 2024.

Income from Discontinued Operation

The loss from discontinued operation is attributable to T Tech's operations. As we made the decision to sell this subsidiary, the results of its operations are presented separately on the condensed consolidated interim statement of loss.

Adjusted EBITDA reconciliation:

For the three months ended:		**September 30, 2025**		**September 30, 2024**
Net loss	$	(784,470)	$	(4,040,147)
Net finance costs		156,254		1,546,806
Current income tax expense		–		9,044
Depreciation		1,087,998		1,325,398
Share-based compensation		178,613		93,605
Foreign exchange loss (gain)		(860,972)		984,025
Income from discontinued operation		–		736,699
Revaluation loss on digital currencies		–		145,799
Loss on disposal of subsidiary		51,427		–
Transaction costs		–		341,841
Management and consulting fees		482,044		–
Adjusted EBITDA	**$**	**310,894**	**$**	**1,143,070**

(Expressed in Canadian dollars, unless otherwise noted)

Comparative Results for the nine months ended September 30, 2025, and 2024

The following table presents information about the results of our operations during the nine months ended September 30, 2025, and 2024:

		September 30, 2025		September 30, 2024	Variance $	Variance %
Revenues	$	17,198,559	$	17,421,183	(222,624)	(1.3%)
Cost of revenues						
Operating costs		(12,147,170)		(11,779,399)	(367,771)	3.1%
Depreciation		(3,993,673)		(1,717,867)	(2,275,806)	132.5%
Gross income	**$**	**1,057,716**	**$**	**3,923,917**	**(2,866,201)**	**(73.0%)**
Realized gain (loss) on sale of digital currencies		(3,510)		2,174	(5,684)	(261.5%)
Income before operating expenses	**$**	**1,054,206**	**$**	**3,926,091**	**(2,871,885)**	**(73.1%)**
Operating expenses						
Director fees		261,181		53,015	208,166	392.7%
Management and consulting fees		1,774,064		161,765	1,612,299	996.7%
Office and administration		906,013		212,100	693,913	327.2%
Professional fees		1,020,281		901,431	118,850	13.2%
Salaries and wages		190,974		129,151	61,823	47.9%
Share-based compensation		360,033		93,605	266,428	284.6%
Travel		42,544		74,377	(31,833)	(42.8%)
Total operating expenses	**$**	**(4,555,090)**	**$**	**(1,625,444)**	**(2,929,646)**	**180.2%**
Operating income (loss)	**$**	**(3,500,884)**	**$**	**2,300,647**	**(5,801,531)**	**(252.2%)**
Other income (expenses)						
Foreign exchange loss		(1,559,073)		(984,019)	(575,054)	58.4%
Net finance costs		(644,891)		(1,618,380)	973,489	(60.2%)
Transaction costs		–		(341,841)	341,841	(100.0%)
Other income		21,554		–	21,554	100.0%
Other expense		(1,044)		–	(1,044)	100.0%
Revaluation loss on digital currencies		–		(145,799)	145,799	(100.0%)
Gain on debt settlement		693,411		–	693,411	100.0%
Loss on disposal of subsidiary		(51,427)		–	(51,427)	100.0%
Unrealized loss on investment		(4,383)		–	(4,383)	100.0%
Income (loss) from continuing operations before income taxes	**$**	**(5,046,737)**	**$**	**(789,392)**	**(4,257,345)**	**539.3%**
Current income tax expense		(340,295)		(24,753)	(315,542)	1,274.8%
Income (loss) from discontinued operation		290,421		(551,659)	842,080	(152.6%)
Net loss	**$**	**(5,096,611)**	**$**	**(1,365,804)**	**(3,730,807)**	**273.2%**
Other comprehensive income (loss)						
Items that may be reclassified to income or loss:						
Exchange differences on translation of foreign operations		1,284,619		817,805	466,814	57.1%
Exchange differences on translation of discontinued operation		(1,875)		127,249	(129,124)	(101.5%)
Item that will not be reclassified to income or loss:						
Revaluation gain on digital currencies		1,789,146		–	1,789,146	100.0%
Total comprehensive loss	**$**	**(2,024,721)**	**$**	**(420,750)**	**(1,603,971)**	**381.2%**

Bitcoin Production

Our mining operations earned 48.49 bitcoin during the nine months ended September 30, 2025, compared to 16.63 bitcoin during the nine months ended September 30, 2024, an increase of 31.86 bitcoin. Kungsleden acquired Cathedra's bitcoin mining operations and bitcoin holdings of 44.40 bitcoin through the Kungsleden Merger, completed on July 23, 2024. Kungsleden earned no bitcoin through a profit-sharing arrangement and did not have bitcoin mining operations prior to July 23, 2024.

Revenue

Mining Revenue

Digital currencies are recorded at their fair value on the date they are received as revenues and are revalued to their fair value at each reporting date. Fair value is determined by using the daily price of bitcoin from Coin Metrics.

For the nine months ended September 30, 2025, the Company generated mining revenues of $7.0 million (2024 - $1.4 million).

Hosting Revenue

During the nine months ended September 30, 2025, the Company generated hosting revenue of $10.2 million (2024 - $16.0 million). Hosting revenue declined because capacity was underused, mainly due to some tenant changes and the deployment of our own machines at both owned and leased data centers.

The Company receives monthly prepayments and short-term or long-term deposits from various customers according to the terms of hosting arrangements. The monthly prepayments are classified as contract liabilities, and deposits are classified as customer liabilities in the condensed consolidated interim statements of financial position.

Cost of Revenues

Operating costs (cost of revenues) for the nine months ended September 30, 2025, were $16.1 million compared to $13.5 million during the same period in 2024. The rise in cost of revenues is due to increased depreciation from Cathedra's mining operations post-reverse takeover and higher operating and maintenance expenses.

Depreciation expense (cost of revenues) for the nine months ended September 30, 2025, was $4.0 million compared to $1.7 million during the nine months ended September 30, 2024, an increase of $2.3 million. The increase was largely due to the integration of Cathedra's capital assets from our bitcoin mining business following the completion of the Kungsleden Merger on July 23, 2024.

Operating Expenses

Our operating expense composition has changed considerably since the completion of the Kungsleden Merger on July 23, 2024. Consequently, comparing the current period with the prior year period is not meaningful.

Foreign Exchange Loss

We carry material intercompany balances denominated in the US dollars that are re-translated to a functional currency of Canadian subsidiaries at each reporting period end date. Foreign exchange loss during the nine months ended September 30, 2025, was $1.6 million compared to a foreign exchange loss of $1.0 million during the nine months ended September 30, 2024, an increase of $0.6 million. The foreign exchange loss increased mainly because the USD-CAD exchange rate fluctuated more during the nine months ending September 30, 2025 than in the same period in 2024.

Net Finance Costs

Interest expense during the nine months ended September 30, 2025, was $0.6 million compared to less than $1.6 million during the nine months ended September 30, 2024, a decrease of $1.0 million. The decrease was primarily due to a one-time financing fee charge associated with the repricing of certain of Cathedra's outstanding warrants during September 2024.

Gain on Debt Settlement

On March 19, 2025, we restructured its outstanding debt whereby the convertible loan's principal amount was extinguished through repayment of the outstanding principal with $4,586,982 plus accrued interest. In addition, the holder of the convertible loan agreed to surrender 10,897,000 share purchase warrants of the Company for cancellation. As a result of the extinguishment of convertible loan, we recognized a gain on debt settlement of $0.7 million.

Income from Discontinued Operation

The loss from discontinued operation is attributable to T Tech's operations. As we made the decision to sell this subsidiary, the results of its operations are presented separately on the condensed consolidated interim statement of income or loss.

(Expressed in Canadian dollars, unless otherwise noted)

Adjusted EBITDA reconciliation:

For the nine months ended:		**September 30, 2025**		**September 30, 2024**
Net loss	$	(5,096,611)	$	(1,365,804)
Net finance costs		644,891		1,618,380
Current income tax expense		340,295		24,753
Depreciation		3,993,673		1,717,867
Share-based compensation		360,033		93,605
Foreign exchange loss		1,559,073		984,019
Income from discontinued operation		(290,421)		551,659
Revaluation loss on digital currencies		–		145,799
Loss on disposal of subsidiary		51,427		–
Transaction costs		–		341,841
Gain on debt settlement		(693,411)		–
Management and consulting fees		482,044		–
Adjusted EBITDA	**$**	**1,350,993**	**$**	**4,112,119**

Liquidity and Capital Resources

We used $1.8 million of cash in our operating activities during the nine months ended September 30, 2025. As at September 30, 2025, we had cash and cash equivalents of $1.8 million, total digital currencies of $1.4 million (7.57 bitcoin and 144,634.47 USDT), total shareholders' equity of $27.3 million, and deficit of $2.0 million.

During the nine months ended September 30, 2025, we exchanged 64.45 bitcoin and 5,026,078 tether for cash and services valued at approximately $16.7 million. For the foreseeable future, we expect to liquidate bitcoin in sufficient quantities to at least cover our cash obligations. To the extent we generate cash profits, we may also choose to purchase bitcoin in the open market.

Management expects to incur ongoing capital expenditures in the next 12 months related to the purchase of new bitcoin mining machines and the acquisition or development of its own data centers. Management expects these initiatives will require resources beyond the Company's existing financial resources as at the date hereof. Management believes that the Company's existing financial resources, combined with projected cash and bitcoin inflows from mining activities, will be sufficient to enable the Company to meet its operating and capital requirements for at least 12 months from the date hereof.

Cash Flows

The following table summarizes our sources and uses of cash during the nine months ended September 30, 2025, and 2024:

		Nine months ended		
Cash and cash equivalents provided by (used in):		**September 30, 2025**		**September 30, 2024**
Operating activities	$	(1,802,086)	$	1,282,721
Investing activities		9,526,952		2,785,011
Financing activities		(6,053,964)		(3,513,991)
Increase in cash and cash equivalents	**$**	**1,670,902**	**$**	**553,741**

Operating Activities

Net cash used by operating activities during the nine months ended September 30, 2025, was $1.8 million compared to cash generated by operating activities of $1.3 million during the nine months ended September 30, 2024, a decrease of $3.1 million. The decrease was due to Kungsleden no longer earning revenue from hosting Cathedra's mining equipment after consolidating two legal entities in July 2024, along with higher corporate costs.

Investing Activities

We generated $9.5 million of cash through our investing activities during the nine months ended September 30, 2025, compared to $2.8 million of cash generated in investing activities during the nine months ended September 30, 2024, an increase of $5.7 million. The increase is explained by proceeds from sale of bitcoin, net of fees, of

(Expressed in Canadian dollars, unless otherwise noted)

$9.6 million and $1.4 million of cash received from partial sale of T Tech, offset by expenditures on construction a new data center in Kentucky, USA.

Financing Activities

Net cash used in financing activities was $6.0 million during the nine months ended September 30, 2025, compared to $3.5 million of net cash used in financing activities during the nine months ended September 30, 2024. The decrease is due largely to repayment of $4.6 million to a convertible debenture holder; increased lease payments from $0.6 million during the nine months ended September 30, 2024 to $1.3 million during the nine months ended September 30, 2025; and the material repayment made to the related parties during the nine months ended September 30, 2024 compared to the advance of less than $0.1 million received during the nine months ended September 30, 2025.

Outstanding Share Data

As at November 13, 2025, 208,447 multiple voting shares; 8,106,902 subordinate voting shares; 124,793 stock options; 1,538,045 restricted share units; and 868,089 subordinate voting share purchase warrants. There are voluntary and TSX Venture Exchange-imposed resale restrictions on certain of these securities.

Off-Balance Sheet Arrangements

As of September 30, 2025, and the date of this MD&A, we have no off-balance sheet arrangements.

Related Party Transactions and Balances

Key management personnel include those persons with authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Operating Officer and President ("COO"), Chief Fields Operation and Manufacturing Officer ("CMO"), Chief Technology Officer ("CTO"), and Directors of the Company. CMO and CTO departed the Company in January 2025 and April 2025, respectively. Former CEO and COO of the Company departed in July 2025, the new CEO was appointed immediately after the departure of the former CEO.

The remuneration of directors and other members of key management personnel during the three and nine months ended September 30, 2025 and 2024 are as follows:

	Three months ended		Nine months ended	
	September 30, 2025	**September 30, 2024**	**September 30, 2025**	**September 30, 2024**
Director fees:	$ 66,932	$ 53,015	$ 261,181	$ 53,015
Management, consulting and professional fees:				
CEO	371,377	50,442	505,185	50,442
COO	255,687	-	379,030	-
CFO	57,316	42,047	218,000	42,047
CAO	34,432	-	34,432	-
Director	2,201	-	5,568	-
Transaction costs:				
CEO	-	136,407	-	136,407
COO	-	136,407	-	136,407
Directors	-	69,027	-	69,027
Share-based payments:				
CEO	77,790	15,601	119,243	15,601
COO	57,885	15,601	99,339	15,601
CMO	-	7,800	-	7,800
CTO	-	7,800	10,363	7,800
Directors	36,652	46,803	161,013	46,803
Wages and salaries:				
CEO	8,264	-	8,264	-
COO	-	41,624	-	41,624
CMO	-	15,126	3,738	15,126
CTO	-	30,251	70,802	30,251
Total	**$ 968,536**	**$ 667,951**	**$ 1,876,158**	**$ 667,951**

As of September 30, 2025, the Company has a total due to related parties balance of $13,974 (December 31, 2024 - $672,411) to directors and management of the Company. The balances are unsecured, due on demand and bear no interest.

Non-IFRS Measures and Ratios

In addition to financial measures presented under IFRS, we consistently evaluate our use of and calculation of the non-IFRS financial measures, such as "Expected Break-Even Hash Price", "Expected Cost Per Bitcoin" and "Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization" ("Adjusted EBITDA").

Hash price is an expression of daily revenue per unit of bitcoin mining hash rate. Hash price is computed by dividing total bitcoin mining revenue per day (denominated in USD) by the total Bitcoin network hash rate (denominated in petahashes per second, or PH/s). Bitcoin mining data provider Hashrate Index offers historical and current views of hash price at the following website: https://data.hashrateindex.com/network-data/btc. Expected Break-Even Hash Price is an estimate of the level of daily revenue produced by one PH/s of hash rate at which our machines cease to produce gross profit. We compute Expected Break-Even Hash Price by dividing expected daily direct mining costs by expected net hash rate of our machines. Expected daily direct mining costs are based on expected power draw of the Company's machines and the contracted hosting/power rate for those machines (excluding non-cash costs such as depreciation). Expected net hash rate deducts any of our hash rate which is contracted to hosting partners as part of a revenue share agreement. The Expected Break-Even Hash Price can be compared against current spot hash price to determine the profitability of each of our sites based on current bitcoin mining conditions.

Estimated Cost Per Bitcoin is an estimate of the go-forward direct cash cost that we will incur for each bitcoin we mine over a given period. We compute our cost per bitcoin by dividing expected direct mining costs by expected gross bitcoin production during a given period. Expected direct mining costs are based on the expected power draw of our machines and the contracted hosting/power rate for those machines (excluding non-cash costs such as depreciation). Expected gross bitcoin production is based on the expected gross hash rate of our machines, current network hash rate, and the current level of transaction fees.

We believe Expected Break-Even Hash Price and Expected Cost Per Bitcoin can be important financial measures because they allow management, investors, and our board of directors to evaluate and compare our operating results from period-to-period by making such adjustments.

Expected Break-Even Hash Price and Expected Cost Per Bitcoin are provided in addition to, and should not be considered to be a substitute for, or superior to, other measures of profitability, operating efficiency, or performance under IFRS. Expected Break-Even Hash Price and Expected Cost Per Bitcoin have limitations as analytical tools, and one should not consider such measures either in isolation or as substitutes for analyzing our results as reported under IFRS.

Adjusted EBITDA is a non-IFRS financial measure and we define it as net income (loss), adjusted for impacts of interest expense, income tax provision or benefit, depreciation and amortization, foreign exchange gain or loss, share-based compensation, income or loss from discontinued operations, unrealized gain or loss on investment, revaluation loss on digital currencies, and the removal of non-recurring transactions. Our board of directors and management team use Adjusted EBITDA to assess our financial performance because it allows us to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure, asset base, and other items that impact the comparability of financial results from period to period.

Business Risks and Uncertainties

Our business involves significant risks and uncertainties, some of which are described below. You should carefully consider the risks and uncertainties described below, together with all of the other information in this MD&A and our Financial Statements. The risks and uncertainties described below are not the only ones we face. Additional risk and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business. The realization of any of these risks and uncertainties could have a material adverse effect on our reputation, business, financial condition, results of operations, growth, and future prospects, as well as our ability to accomplish our strategic objectives. In that event, the market price of our common stock could decline and you could lose part or all of your investment.

Limited Operating History

We have a limited operating history upon which an evaluation of the Company and its prospects can be based. In particular, the Company has a limited history with its mining operations and remains in the early stage of development. The Company is subject to many risks common to venture enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment or meeting other metrics of success.

The Company is dependent on retained earnings for substantially all of its working capital needs, and there is no assurance that additional funding will be available to it for further development and growth. 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.

The Company incurs substantial expenses in the establishment and operating of its business. A significant portion of the Company's financial resources have been and will continue to be directed to the development of its business and related activities. The success of the Company will ultimately depend on its ability to generate cash from its business. There is no assurance that the required funds will be available for future expansion of the Company's business. If the Company does not have access to the required funds to continue the operation and development of its business and operational activities, and to the extent that it does not generate cash flow and income, the Company's long-term viability may be materially and adversely affected.

Business Risks and Uncertainties

There are a number of risk factors associated with Cathedra and its business. Shareholders should carefully consider each of the risks described below. Cathedra's success will depend on a number of things, including the expertise, ability, judgment, discretion, integrity and execution of its management. The risks and uncertainties below are not the only ones facing Cathedra. Additional risks and uncertainties not presently known to Cathedra or that it currently considers immaterial may also impair the Company's business operations and cause the value of the Company to decline. If any of the following risks actually occur, Cathedra's business may be harmed and its financial condition may suffer significantly.

Liquidity and Future Financing Risk

Cathedra may require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain operations and expansion plans will depend in part upon prevailing capital market conditions and business success. There can be no assurance that Cathedra will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. Moreover, future activities may require the Company to alter its capitalization significantly and, if additional financing is raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of current holders of the Common Shares. The inability of the Company to access sufficient capital for its operation could have a material adverse effect on the Company's financial condition and results of operations.

In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Going Concern Risk

The Cathedra Financial Statements have been prepared using accounting principles applicable to a going concern which assumes an entity will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Cathedra's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving its growth plans. The Cathedra Financial Statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should it be unable to continue as a going concern.

Cash Flow Risk

The Company may sell its coins to pay for expenses incurred, irrespective of then-current coin prices. Consequently, Cathedra's coins may be sold at a time when the price is low, resulting in a negative effect on its profitability. The Company believes that the risk of this outcome is preferred over potentially greater risks of holding coin inventories and speculating in the price of coins.

Access to Power and Electricity Rate Risks

The Company's operations are dependent on its ability to maintain reliable and economical sources of power in order to run its cryptocurrency mining assets. While the Company believes its source of power is reliable and current regional infrastructure limits the likelihood of power interruptions, any suspension of its power supply could result in a material and adverse effect on the Company. The Company conducts cryptocurrency mining at its data center in Washington State. The Grant County Public Utility District ("GCPUD") is the electricity supplier to the Company's Washington State Operation. The cost of electricity offered by GCPUD is available online and is summarized in the GCPUD's rate schedules. The Company's current and future operations, anticipated growth, and sustainability of hydroelectricity at economic prices for the purposes of cryptocurrency mining in Washington poses certain risks. There is no assurance that a particular electricity rate structure will remain in effect and the Company's electricity supplier, GCPUD, is under no obligation to lock in rates for any period of time.

Any further increases to the Company's hosting or electricity rates at its data center operation may limit the profitability of its cryptocurrency mining operations and have a material and adverse effect on the Company's profitability. Any interruption of electrical supply would also have a material and adverse effect on the Company's business.

Regulatory Requirements

Governmental regulation may affect the Company's activities and the Company may be affected to varying degrees by government policies and regulations. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Governments may take regulatory action that may increase the cost and/or subject cryptocurrency mining companies to additional regulation.

The operations of the Company may also require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required.

The Company's operations will be subject to environmental regulations, which make operations expensive or prohibitive. The continued evolvement of environmental regulations may lead to the imposition of stricter standards, more diligent enforcement, and heavier fines and penalties for non-compliance. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or cause delays in the development of mining projects.

Cryptocurrency Industry Risks

The further development and acceptance of the cryptocurrency industry is subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of cryptocurrency may adversely affect an investment in the Company. Cryptocurrency may be used, among other things, to buy and sell goods and services which is a new and rapidly evolving industry subject to a high degree of uncertainty. The factors that affect the further development of the cryptocurrency industry include: (i) continued worldwide growth in the adoption and use of cryptocurrency; (ii) government and quasi-government regulation of cryptocurrency and their use, or restrictions on or regulation of access to and operation of cryptocurrency systems; (iii) changes in customer demographics and public tastes and preferences; (iv) the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; (v) the wide-spread adoption of cryptocurrency to hedge against economic instability and inflation; and (vi) general economic conditions and the regulatory environment relating to cryptocurrency. A decline in the popularity or acceptance of cryptocurrency would harm the business and affairs of the Company.

Risk of Loss, Theft, or Restriction on Access

Although the Company stores its coins offline, there is a risk that some of the Company's coins could be lost or stolen. Any of these events may adversely affect the Company's operations and, consequently, the Company's profitability.

Cryptocurrencies are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which they are held. The Company publishes the public key relating to its digital wallets when it verifies the receipt of cryptocurrency transfers and disseminates such information into the network but needs to safeguard the private keys relating to such digital wallets. To the extent such private keys are lost, destroyed or otherwise compromised, the Company will be unable to access its coins and such private keys cannot be restored. Any loss of private keys relating to the Company's digital wallets could adversely affect the Company's investments and profitability.

Bitcoin transactions are irrevocable and stolen or incorrectly transferred bitcoin may be irretrievable. Bitcoin transactions are not reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of bitcoin or a theft of bitcoin generally will not be reversible, and the Company may not be capable of seeking compensation for any such transfer or theft. To the extent that the Company is unable to seek a corrective transaction with the third party or is incapable of identifying the third party that has received the Company's bitcoin through error or theft, the Company will be unable to revert or otherwise recover incorrectly transferred bitcoin. The Company will also be unable to convert or recover bitcoin transferred to uncontrolled accounts.

Risk of Malicious Actors

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to "mining", it may be able to alter the blockchain on which cryptocurrency transactions rely. In such circumstances, the malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new cryptocurrency or transactions using such control. The malicious actor or botnet could double spend its own cryptocurrency and prevent the confirmation of other users' transactions for so long as it maintains control. Such changes could have a material and adverse effect on the Company's operations.

Risk of Reduced Incentives

As the number of bitcoin awarded for solving a block in the blockchain decreases, the incentive for miners to contribute processing power to the Bitcoin network (the "Network") will transition from a set reward to transaction fees. In order to incentivize miners to continue to contribute processing power to the Network, the Network may either formally or informally transition from a set reward to transaction fees earned upon solving for a block. If miners demand higher transaction fees to record transactions in the blockchain or a software upgrade automatically charges fees for all transactions, the cost of using bitcoin may increase and the marketplace may be reluctant to accept bitcoin as a means of payment. Existing users may be motivated to switch from bitcoin to another digital currency or back to fiat currency. Decreased use and demand for cryptocurrencies may adversely affect their value and result in a reduction in cryptocurrencies index price and, consequently, the price of the Company's common shares.

Facility Development Risk

The continued development of existing and planned facilities is subject to various factors and may be delayed or adversely affected by such factors beyond the Company's control, including delays in the delivery or installation of equipment by suppliers, difficulties in integrating new equipment into existing infrastructure, shortages in materials or labour, defects in design or construction, diversion of management resources, insufficient funding, or other resource constraints. Actual costs for development may exceed the Company's planned budget. Delays, cost overruns, changes in market circumstances and other factors may result in different outcomes than those intended.

Risk of Non-Availability of Insurance

When considered practical to do so, the Company will maintain insurance against risks in the operation of its business and in amounts that it believes to be reasonable. Such insurance, however, will contain exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. The novelty of the industry may impair the ability of the Company to acquire adequate insurance coverage for risks associated with its operations. The occurrence of an event that is not covered, in full or in part, by insurance may cause substantial economic damage to the Company. In some cases, such as with respect to environmental risks, coverage is not available or considered too expensive relative to the perceived risk.

Bitcoin Network Risks

The open-source structure of the Network protocol means that the core developers of the Network and other contributors are generally not directly compensated for their contributions in maintaining and developing the Network protocol. A failure to properly monitor and upgrade the Network protocol could damage the Network.

The core developers of the Network can propose amendments to the Network's source code through software upgrades that alter the protocols and software of the Network and the properties of Bitcoin, including the irreversibility of transactions and limitations on the mining of new bitcoin. Proposals for upgrades and related discussions take place on online forums, including www.github.com and www.bitcointalk.org. To the extent that a significant majority of the users on the Network install such software upgrade(s), the Network would be subject to new protocols and software.

The acceptance of the Network software patches or upgrades by a significant, but not overwhelming, percentage of the users and miners in the Network could result in a "fork" in the blockchain underlying the Network, result in the operation of two separate networks. Without an official developer or group of developers that formally control the Network, any individual can download the Network software and make desired modifications, which are proposed to users and miners on the Network through software downloads and upgrades, typically posted to Bitcoin development forums. A substantial majority of miners and Bitcoin users must consent to such software modifications by downloading the altered software of upgrade; otherwise, the modifications do not become a part of the Network. Since the Network's inception, modifications to the Network have been accepted by the vast majority of users and miners, ensuring that the Bitcoin network remains a coherent economic system.

If, however, a proposed modification is not accepted by a vast majority of miners and users but is nonetheless accepted by a substantial population of participations in the Network, a "fork" in the blockchain underlying the Network could develop, resulting in two separate Bitcoin networks. Such a fork in the blockchain typically would be addressed by community-led efforts to merge the forked blockchain, and several prior forks have been so merged. However, in some cases, there may be a permanent "hard fork" in the blockchain, and a new cryptocurrency may be formed as a result of that "hard fork". For example, Bitcoin Cash™ was created through a fork in the blockchain. Where such forks occur on the blockchain, the Company will follow the chain with the greatest proof of work in the fork.

Momentum Pricing Risk

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Cryptocurrency market prices are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms. Momentum pricing may have resulted, and may continue to result, in speculation regarding future appreciation in the value of cryptocurrencies, inflating and making their market prices more volatile. As a result, cryptocurrency prices may be more likely to fluctuate in value due to changing investor confidence in the future appreciation (or depreciation) in their market prices, which could adversely affect the value of the Company's inventory and/or revenues, thereby having a material and adverse effect on the Company's business.

Cryptocurrency Exchange Risk

To the extent that cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, this could result in a reduction in cryptocurrency prices.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, derivatives and other commodities. For example, during the past three years, a number of bitcoin exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed cryptocurrency exchanges were not compensated or made whole for the partial or complete loss of their account balances in such exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide the larger exchanges with additional stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action. Such attacks to cryptocurrency exchanges may have a material and adverse effect on the price of cryptocurrencies, and accordingly, the Company's operations.

Banking Risk

A number of companies that provide Bitcoin- and/or other cryptocurrency-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to Bitcoin- and/or other cryptocurrency-related companies or companies that accept cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. Many businesses that provide Bitcoin- and/or other cryptocurrency-related services may continue to have difficulty in finding banks willing to provide them with bank accounts and other banking services which may be decrease the usefulness of cryptocurrencies as a payment system. The inability to secure banking services may also harm public perception of cryptocurrencies or could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of cryptocurrencies as a payment system and the public perception of cryptocurrencies could be damaged if banks were to close the accounts of many or of a few key businesses providing Bitcoin- and/or other cryptocurrency-related services. This could decrease the market prices of cryptocurrencies and have a material and adverse effect on the Company's business.

Risk of System Failure

The Company's operations will be dependent on its own and third-party operators' ability to maintain its equipment in effective working order and to protect its systems against cyber security breaches, damage from fire, natural disaster, power loss, telecommunications failure or similar events. Security procedures implemented by the Company are technical and complex, and the Company depends on the security procedures to protect the storage, acceptance and distribution of data relating to its inventory or cryptocurrencies. The Company's third-party operators' security procedures may not protect against all errors, software flaws (i.e., bugs) or vulnerabilities. Defects in the security procedures may only be discovered after a failure in the Company's mining operations or safekeeping and storage of its inventory of cryptocurrencies. While the Company will continually review and seek to upgrade its technical infrastructure and provide for certain system redundancies and backup power to limit the likelihood of systems overload or failure, any damage, failure or delay that causes interruptions in the Company's operations could have a material and adverse effect on the Company's business.

Technological System Risk

The success of the Company is dependent on the accuracy, proper use and continuing development of its technological systems, including its business systems and operational platforms. The Company's ability to effectively use the information generated by its information technology systems, as well as its success in implementing new systems and upgrades, may affect its ability to maximize the efficiency of its miners.

As technological change occurs, the security threats to the Company's bitcoin and mining systems will likely adapt and previously unknown threats may emerge. The Company's third-party operators' ability to adopt technology in response to changing security needs or trends may pose a challenge to the Company's business. To the extent that the Company's third-party operators are unable to identify and mitigate or stop new security threats, the Company's cryptocurrencies may be subject to theft, loss destruction or other attack, which would have a material and adverse effect on the Company' business.

Competitive Risk

The Company will compete with other users and/or companies that are mining cryptocurrencies and other financial vehicles, possibly including securities backed by or linked to cryptocurrencies through entities similar to the Company, or exchange-traded funds (ETFs). Market and financial conditions, and other conditions beyond the Company's control, may make it more attractive to invest in other financial vehicles, or to invest in cryptocurrencies directly, which could limit the market for the Company's Shares and reduce their liquidity.

Technological Obsolescence Risk

To remain competitive, the Company will continue to invest in hardware and equipment required for maintaining the Company's activities. Should competitors introduce new services/software embodying new technologies, the Company recognizes its hardware and equipment and its underlying technology may become obsolete and require substantial capital to replace such equipment.

Hardware Supply Risk

The increase in interest and demand for cryptocurrencies may lead to a shortage of capable hardware as individuals and businesses purchase equipment for mining and other cryptocurrency-related uses. Equipment will also require replacement from time to time and any shortages of bitcoin mining machines or graphics processing units may lead to unnecessary downtime as the Company searches for replacement equipment.

Risk of Equipment Breakdown

The Company purchased cryptocurrency mining machines in connection to the acquisition of its data center operation in Washington State and the Kentucky and Tennessee Mines. It is possible that serious defects or deficiencies could arise in these machines, which would make it difficult or impossible for the Company to meet its expected operational levels and could result in a material and adverse effect on the Company's business.

Profit Risk

Further development and acquisitions of server farms and the ongoing operation of the Company's existing data centers will require additional capital and monthly expenses. The Company's operating expenses and capital expenditures may increase in subsequent years as necessary consultants, personnel and equipment associated with the maintenance of the data center in Washington State and any other mining facility the Company may acquire are added. There is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital.

There can be no assurance that the Company will generate net profits in future periods. Further, there can be no assurance that the Company will be cash flow positive in future periods. In the event that the Company fails to achieve profitability in future periods, the value of the Company's Common Shares may decline. In addition, if the Company is unable to achieve or maintain positive cash flows, the Company would be required to seek additional financing, which may not be available on favorable terms, if at all.

Third-Party Risk

The Company relies on services and software developed and maintained by third-party vendors. The Company also expects that it may incorporate in the future software from third-party vendors and open-source software. The Company's business may be disrupted if this software, or functional equivalents of this software, were either no longer available to the Company or no longer offered to it on commercially reasonable terms. In either instance, the Company would be required to redesign services to function with alternate third-party software or open-source software.

Intellectual Property Risk

The Company cannot assure its shareholders that its activities will not infringe on patents, trademarks or other intellectual property rights owned by others. If the Company is required to defend itself against intellectual property rights claims, it may spend significant time and effort and incur significant litigation costs, regardless of whether such claims have merit. If the Company is found to have infringed on the patents, trademarks or other intellectual property rights of others, the Company may also be subject to substantial claims for damages or a requirement to cease the use of such disputed intellectual property, which could have an adverse effect on its operations. Such litigation or claims and the consequences that could follow could distract management of the Company from the ordinary operation of its business and could increase costs of doing business, resulting in a material adverse impact on the business, financial condition or results of operations of the Company.

Contractual Risk

The Company is a party to various contracts and it is always possible that the other contracting parties may not fully perform their obligations.

Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the Company's forecasted uses of funds and other budgets may be adversely affected.

Geopolitical Risk

Crises may motivate large-scale purchases of cryptocurrencies which could increase the price of cryptocurrencies rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior wanes, adversely affecting the value of the Company's digital currency inventory.

The possibility of large-scale purchases of cryptocurrencies in times of crisis may have a short-term positive impact on the price of bitcoin. For example, in March 2013, a report of uncertainty in the economy of the Republic of Cyprus and the imposition of capital controls by Cypriote banks motivated individuals in Cyprus and other countries with similar economic situations to purchase bitcoin. This resulted in a significant short-term positive impact on the price of cryptocurrencies. However, as the purchasing activity of individuals in this situation waned, speculative investors engaged in significant sales of cryptocurrencies, which significantly decreased the price of cryptocurrencies. Crises of this nature in the future may erode investors' confidence in the stability of cryptocurrencies and may impair their price performance which would, in turn, adversely affect the Company.

As an alternative to fiat currencies that are backed by central governments, cryptocurrencies, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of cryptocurrencies either globally or locally. Large-scale sales of cryptocurrencies would result in a reduction in their market prices and adversely affect the Company's operations and profitability.

Litigation Risk

The Company may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If the Company is unable to resolve these disputes favorably, it may have a material and adverse effect on the Company. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources. Litigation may also create a negative perception of the Company's brand. Securities litigation as well as potential future proceedings could result in substantial costs and damages and divert the Company's management's attention and resources. Any decision resulting from any such litigation that is adverse to the Company could have a negative impact on the Company's financial position and business more generally.

Key Personnel Risk

Our success is largely dependent on the performance of our proposed directors and officers. Certain members of our management team have experience in the cryptocurrency industry, while others have experience in other areas including financial management, corporate finance and sales and marketing. The experience of these individuals is expected to contribute to our continued success and growth. Cathedra will be relying on its directors and officers, as well as independent consultants and advisory board, for various aspects of our business. The amount of time and expertise expended on our affairs by our management team, consultants, advisory board members and directors will vary according to Cathedra's needs. The Company does not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any director and officer, key employee or consultant, could have a material adverse effect on its operations.

Failure of the Company's Physical Infrastructure

The Company's business depends on providing customers with highly reliable solutions. The Company must safeguard its customers' infrastructure and equipment located at the Company's facilities and ensure business operations remain operational at all times. If the Company does not maintain its facilities, it may be unable to continue providing the service to its customers.

Furthermore, the Company has service level commitment obligations to certain customers. As a result, service interruptions or significant equipment damage at any Company facility could result in difficulty maintaining service level commitments to these customers and potential claims related to such failures. Because the Company's facilities are critical to many of its customers' businesses, service interruptions or significant equipment damage in the Company's facilities could also result in lost profits or other indirect or consequential damages to its customers. The Company cannot guarantee that a court would enforce any contractual limitations on our liability in the event that one of the Company's customers brings a lawsuit against it as a result of a problem at one of the Company's facilities and the Company may decide to reach settlements with affected customers irrespective of any such contractual limitations. Any such settlement may result in a reduction of revenue. In addition, any loss of service, equipment damage or inability to meet the Company's service level commitment obligations could reduce the confidence of its customers and could consequently impair its ability to obtain and retain customers, which would adversely affect both its ability to generate revenues and its results of operations.

Risks of Expansion Efforts

The Company is considering the acquisition or lease of additional properties and the construction of new facilities beyond those projects already announced. The Company will be required to commit substantial operational and financial resources to these new facilities in advance of securing customer contracts, and the Company may not have sufficient customer demand in those markets to support these facilities once they are built. In addition, unanticipated technological changes could affect customer requirements for the Company's facilities, and the Company may not have built such requirements into its facilities. Either of these contingencies, if they were to occur, could make it difficult for the Company to realize expected or reasonable returns on these investments.

Terrorist Activity or Other Acts of Violence

The continued threat of terrorist activity and other acts of war or hostility both domestically and abroad by terrorist organizations, organized crime organizations, or other criminals along with violence stemming from political unrest, contribute to a climate of political and economic uncertainty. Due to existing or developing circumstances, the Company may need to incur additional costs in the future to provide enhanced security, including cybersecurity and physical security, which could have a material adverse effect on its business and results of operations. These circumstances may also adversely affect the Company's ability to attract and retain customers and employees, its ability to raise capital and the operation and maintenance of its facilities.

Need for Significant Electrical Power

The Company's operations require significant amounts of electrical power, and, as the Company continues to expand its operations, it anticipates its demand for electrical power will continue to grow. The fluctuating price of electricity and the availability of low-cost electricity to power the Company's expansion, may inhibit the Company's profitability. If the Company is unable to obtain sufficient electrical power on a cost-effective basis, it may not realize the anticipated benefits of its significant capital investments and it may not be able to successfully implement its strategic growth plans.

Additionally, the Company's operations could be materially adversely affected by prolonged power outages. The Company may have to reduce or cease operations in the event of an extended power outage, or as a result of unavailability or increased cost of electrical power. If this were to occur, the business and results of operations could be materially and adversely affected.

Accounting Policies, Critical Accounting Estimates, and Internal Controls

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

Significant Judgments

Revenue Recognition

The Company recognizes revenue from the provision of transaction verification services within digital currency networks, commonly termed "cryptocurrency mining". As consideration for these services, the Company receives digital currency from each specific network in which it participates ("coins"). Revenue is measured based on the fair value of the coins received. The fair value is determined using the spot price of the coin on the date of receipt, based on the daily average from https://coinmetrics.io/ ("Coin Metrics").

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the production and mining of digital currencies, and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of revenue for mining of digital currencies. Management has examined various factors surrounding the substance of the Company's operations and the guidance in IFRS 15, Revenue from Contracts with Customers, including the stage of completion being the completion and addition of block to a blockchain and the reliability of the measurement of the digital currency received. In the event authoritative guidance is enacted by the IASB or IFRIC, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings.

Significant Estimates

Fair Value of Financial Instruments

The individual fair value attributed to the different components of a financing transaction is determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of the issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. The valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of the instrument that are not quoted in active market.

Useful Life and Residual Value

Depreciation of the assets in the cryptocurrency data center is based on an estimate of the assets' expected life. In order to determine the useful life of the assets in the cryptocurrency mining center, assumptions are required about a range of computing industry market and economic factors, including global hash rates dedicated to proof of work mining, network difficulty, technological changes, release and availability of newer and more efficient hardware and other inputs, and production costs. Based on the data that management has reviewed, management has determined to use the straight-line method of amortization over three years, to best reflect the current expected useful life of mining equipment. Management will review its estimates and assumptions at each reporting date and will revise its assumptions if new information supports the change.

Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. These calculations are based on available data, other observable inputs and projections of cash flows, all of which are subject to estimates and assumptions. Recoverable amounts are also sensitive to assumptions about the future usefulness of in-process development and the related marketing rights.

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, the deferral and deductibility of certain items and interpretation of the treatment for tax purposes of digital currencies by taxation authorities. 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 payments of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

Digital Currency Valuation

Digital currency denominated assets are included in current assets. Digital currencies are carried at their fair value determined by the spot rate based on the daily average from Coin Metrics. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies would have a significant impact on the Company's earnings and financial position.

Share-Based Compensation

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers, employees and consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the calculation of the share-based compensation; however, the most significant estimate is volatility. Expected future volatility can be difficult to estimate as the Company has had limited history, is in a unique industry, and historical volatility is not necessarily indicative of future volatility.

Business Combination – Purchase Price Allocation

The consideration transferred (or deemed consideration) and acquired assets and assumed liabilities are recognized at fair value on the date of the Company effectively obtains control. The measurement of each business combination is based on the information available on the acquisition date. The estimate of fair value of the consideration transferred (or deemed consideration) and acquired intangible assets (including goodwill), property and equipment, other assets and the liabilities assumed are based on estimates and assumptions. The measurement is largely based on the projected cash flows, discount rates and market conditions at the date of acquisition.

Areas of significant estimates and judgments also include:

- Collectability of trade and other receivables
- Completeness of trade payables and accrued liabilities
- Valuation of right-of-use assets and lease liabilities
- Valuation of convertible loans

Financial Instruments and Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk and commodity price risk.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The financial instruments that represent a potential concentration of credit risk consist primarily of cash and cash equivalents, digital currencies, restricted digital currencies, deposits, and trade receivables. Under certain of our hosting agreements, we are obligated to pay security deposits to the hosting provider at the beginning of the term. If one or more of our hosting providers suffers an adverse credit event, we may be unable to recover part or all of the outstanding deposits. We limit our exposure to credit loss by holding our cash with reputable, well-capitalized financial institutions and performing careful due diligence on potential hosting partners prior to entering into a binding agreement which would require us to pay a security deposit. The carrying amount of financial assets represents the maximum credit exposure for each.

(Expressed in Canadian dollars, unless otherwise noted)

The carrying amount of financial and digital assets represents the maximum credit exposure.

		September 30, 2025		December 31, 2024
Cash and cash equivalents	$	1,761,330	$	101,367
Digital currencies		1,401,460		6,456,425
Trade receivables		191,103		1,448,900
Deposits		2,546,260		2,621,716
	$	**5,900,153**	**$**	**10,628,408**

We believe the Company has no significant credit risk other than what is disclosed herein.

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations. We manage our liquidity risk by ensuring that we have enough cash to meet our near-term financial liabilities at all times. As at September 30, 2025, we had a working capital of $870,355 (2024 – working capital of $14,997,845).

Cash flows related to trade payables and accrued liabilities, due to related parties, income tax payable, contract liabilities, customer liabilities and lease liabilities included below may occur at different times or amounts. A maturity analysis of our outstanding obligations relating to continuing operations as of September 30, 2025 is as follows:

	Undiscounted Contractual Cash Flows				
As at September 30, 2025	**Total carrying amount $**	**Contractual cash flows $**	**Less than 1 year $**	**1 – 5 years $**	**More than 5 years $**
Trade payables and accrued liabilities	2,620,158	2,620,158	2,620,158	-	-
Due to related parties	13,974	13,974	13,974	-	-
Contract liabilities	181,918	181,918	181,918	-	-
Customer liabilities	1,754,344	1,754,344	1,414,576	339,768	-
Lease liabilities	1,447,374	2,978,537	397,584	1,383,747	1,197,206
Total	**6,017,768**	**7,548,931**	**4,628,210**	**1,723,515**	**1,197,206**

Market Risk

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

Bitcoin Price Volatility

As of September 30, 2025, we held a digital currency balance in bitcoin and Tether ("USDT") that is subject to market pricing and price volatility. Bitcoin prices are affected by various forces including global supply and demand, interest rates, exchanges rates, inflation or deflation and the political and economic conditions. Further, bitcoin has no underlying backing or contracts to enforce recovery of invested amounts. Our profitability is related to the current and future market price of bitcoin; in addition, we may not be able to liquidate our holdings of bitcoin at our desired price if necessary. Investing in bitcoin is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for such currencies change rapidly and are affected by a variety of factors, including regulation and general economic trends. Bitcoin has a limited history, its fair values have historically been volatile, and the value of our bitcoin holdings could decline rapidly. A decline in the market price of bitcoin could negatively impact our future operations. Historical performance of bitcoin is not indicative of its future performance. During the three and nine months ended September 30, 2025, we recorded a loss on revaluation of digital currencies in the amount of $nil and $nil, respectively (2024 - $145,799 and $145,799, respectively) in the statement of loss and gain from revaluation of digital currencies of $965,213 and $1,789,146, respectively (2024 - $nil and $nil, respectively) in the statement of other comprehensive loss.

We do not hedge our bitcoin holdings, but we actively monitor bitcoin pricing, market volatility and our own liquidity needs to determine an appropriate risk mitigation strategy on a continuous basis.

Interest Rate Risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to interest rate risk on the variable rate of interest we earn on bank deposits. The interest rate risk on bank deposits is insignificant, as our deposits are all short-term. The coupon on our outstanding term loan is fixed and therefore has limited exposure to changes in interest rates.

Foreign Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. We are exposed to currency risk as we have legal entities domiciled in the United States which hold financial assets in US dollars and bitcoin while our functional currency is the Canadian dollar. We do not hedge our exposure to fluctuations in foreign exchange rates.

If the US dollar had changed against the Canadian dollar by 10% at period end, the Company's net income and comprehensive income would change by approximately $162,000, resulting from the translation of the US dollar denominated financial instruments.

Custody Risk

We hold our digital currencies with a third-party custodian. Our custody strategy is designed to balance security and availability of our digital currency. We continuously monitor our cash and cash equivalents and digital currency holdings with our third-party custodian.

Our current service provider for digital currency custody is an institutional counterparty that is licensed, regulated, and insured. At any time, in excess of 98% of our digital currency holdings (excluding any digital currency that is being traded at that time) is held in a cold-storage, multi-signature, segregated trust account that is titled in the name of one of our US subsidiaries. Prior to onboarding with our current custodian, we performed extensive due diligence, examining the new custodian's internal control procedures to ensure security, availability, integrity, and confidentiality of the custodian's information and systems. Our current custodian maintains SOC 1 Type II and SOC 2 Type II compliance, which we review periodically to ensure the custodian maintains a secure technology infrastructure and that its systems are designed and operating effectively.

Loss of Access Risk

The loss of access to the private keys associated with our bitcoin holdings may be irreversible and could adversely affect an investment. An amount of digital currency is spendable only by whoever possesses the private key associated with the address on which the digital currency is held. To the extent a private key is lost, destroyed, or otherwise compromised, and no backup is accessible, we may be unable to access the associated digital currency. As of September 30, 2025, 7.57 bitcoin equivalent to $1,200,115 is held with our third-party custodians in our name (December 31, 2024 - 48.10 bitcoin equivalent to $6,454,983).

Fair Value Hierarchy

We apply the following fair value hierarchy for financial instruments that are carried at fair value. The hierarchy prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

We hold investments in private companies that are classified as FVTPL and is recorded at fair value using unobservable inputs; it is therefore classified as level 3 within the fair value hierarchy. The net asset value of the private company is used to adjust the investment to fair value.

The carrying value of our trade receivables, due to related parties, deposits, trade payables and accrued liabilities, deposits, contract liabilities, customer liabilities, and loans and borrowings approximates fair value because of the relatively short periods to maturity of these instruments and the low credit risk.

Management's Report on Internal Control Over Financial Reporting

The information provided in the condensed consolidated interim financial statements and the accompanying MD&A is the responsibility of management. Management is required to make a number of judgments, assumptions and estimates when preparing these financial statements and MD&A, including estimates to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on prudent judgments and have been properly reflected in the accompanying financial statements, but actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Management is responsible for the internal controls over the operations and financial reporting, including internal controls related to maintaining records that reflect the transactions, acquisitions, and dispositions of the assets of the Company. As all controls and processes are subject to certain limitations, management acknowledges that the internal controls may not prevent or detect all misstatements due to error or fraud.