

CASCADIA BLOCKCHAIN GROUP CORP.

(the “Company”)

MANAGEMENT DISCUSSION AND ANALYSIS

For the Six Months Ended July 31, 2024

The following Management Discussion and Analysis (“MD&A”) has been prepared by management as of September 30, 2024, should be read in conjunction with the condensed interim consolidated financial statements and related notes of the Company for the six months ended July 31, 2024 and the audited consolidated financial statements and related notes of the Company for the year ended January 31, 2024. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets”, “may”, “will” and similar expressions identify forward-looking statements. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

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**CASCADIA BLOCKCHAIN GROUP CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JULY 31, 2024 AND 2023**

OVERVIEW

Cascadia Blockchain Group Corp. (the “Company” or “Cascadia”) was incorporated on November 10, 2011 under the laws of British Columbia, Canada. Cascadia is a blockchain technology company operating in Vancouver, B.C., Canada. Its registered office is located at #530, 355 Burrard Street, Vancouver, British Columbia V6C 2G8. In September 2013, the Company was approved for listing on the Canadian Securities Exchange (“CSE”). The Company’s common shares commenced trading on the CSE at the opening of markets on September 12, 2013 under the symbol “CK”.

On December 20, 2017, the Company proposed a fundamental change of business to a blockchain company and a change of its name from Cascadia Consumer Electronics Corp. to Cascadia Blockchain Group Corp. The proposed change of business and change of name were approved by the CSE on September 7, 2018. The corresponding listing statement was filed on both the CSE and SEDAR+ websites.

Subsidiaries

1. Tianjin Bocui Technology Limited

The Company incorporated a Wholly Foreign Owned Enterprise (“WFOE”) in China under the name “Tianjin Bocui Technology Limited” (“Bocui”) on October 9, 2015. Among other benefits, WFOEs can give greater control over business ventures in mainland China and avoid a multitude of problematic issues which can potentially result from dealing with a domestic joint venture partner. Bocui is currently managing the development of an authentication platform for non-fungible tokens.

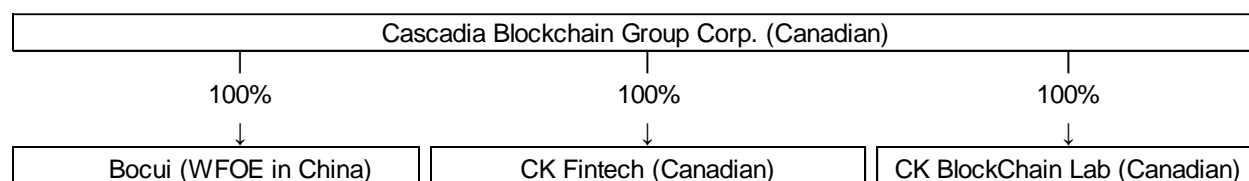
2. CK Fintech Corp.

“CK Fintech Corp.” (“CK Fintech”) is a wholly owned subsidiary incorporated on December 22, 2015. CK Fintech owns the intellectual property of a trading platform to provide various transaction capabilities for selected blockchain technology based digital assets, utility tokens, and cryptocurrencies.

3. CK Blockchain Lab Corp.

The Company incorporated a wholly owned subsidiary “CK Blockchain Lab Corp.” to research and develop blockchain products on September 28, 2017.

The detail structure of the Company as at July 31, 2024 and September 30, 2024 is as follows:



The presentation and functional currency of the Company is the Canadian dollar. The functional currency of its subsidiaries is also the Canadian dollar except for Tianjin Bocui Technology Ltd. (“Bocui”) which is the Chinese Renminbi (“RMB”).

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DISCUSSION OF OPERATIONS

Cascadia worked with an IT firm to develop a platform that provides authentication service of nonfungible tokens and help issuers of nonfungible token to issue physical cards collection that are linked to the nonfungible token. The development is currently completed, and Cascadia is doing marketing and looking for regional partner to develop the market

REVIEW OF FINANCIAL RESULTS

Three months ended July 31, 2024 compare to three months ended July 31, 2023

Results of Operations

	Three Months Ended July 31,		Variance
	2024	2023	\$
EXPENSE			
Consulting and professional fees	\$ 75,493	75,500	(7)
Salaries and benefits	13,240	26,156	(12,916)
Listing and transfer agent expenses	5,920	6,045	(125)
Bank charges and interest	1,663	2,337	(674)
Office and miscellaneous	—	2,251	(2,251)
OPERATING LOSS	(96,316)	(112,289)	15,973
OTHER ITEMS			
Foreign exchange gain (loss)	(41)	(47)	6
NET LOSS	\$ (96,357)	\$ (112,336)	15,979

During the three months ended July 31, 2024, the Company recorded a net loss of \$96,357 (2023: \$112,336). The net loss for the three months ended July 31, 2024 decreased by \$15,979 compared to the same period last year. The decrease in net loss is primarily attributed to the follows,

- Salaries and benefits decreased by \$12,916 compared to the same period last year because the number of employees of Bocui is reduced during the three months ended July 31, 2024 as the market for the NFT authentication is slower than expected;
- Office and miscellaneous expenses decrease by \$2,251 compared to the same period last year.

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Six months ended July 31, 2024 compare to six months ended July 31, 2023

	Six Months Ended July 31,		Variance
	2024	2023	\$
EXPENSE			
Research and development costs	\$ 407,162	\$ —	407,162
Consulting and professional fees	136,893	127,000	9,893
Salaries and benefits	68,628	52,879	15,749
Listing and transfer agent expenses	9,078	8,670	408
Bank charges and interest	3,127	3,081	46
Office and miscellaneous	3,018	2,251	767
OPERATING LOSS	(627,906)	(193,881)	(434,025)
OTHER ITEMS			
Foreign exchange gain (loss)	(1,652)	274	(1,926)
Change in fair value of cryptocurrency	—	3,405	(3,405)
Gain (loss) on disposal of cryptocurrency	—	2,827	(2,827)
NET LOSS	\$ (629,558)	\$ (187,375)	(442,183)

During the six months ended July 31, 2024, the Company reported a net loss of \$629,558 (2023: \$187,375). The net loss for the six months ended July 31, 2024 increased by \$442,183 compared to the same period last year. The increase in net loss is primarily attributed to the follows,

- Research and development costs increased by \$407,162 for the six months ended July 31, 2024 compared to nil in the same period last year as the Company is developing an authentication platform for non-fungible tokens ("NFTs");
- Consulting and professional fees increased by \$9,893 for the six months ended July 31, 2024 of \$136,893 compared to \$127,000 for the same period last year is due to consultants hired in Bocui for managing the development of the NFTs authentication platform;
- Salaries and benefits increased by \$15,749 compared to the same period last year because Bocui had more employees for the NFTs authentication platform for the six months ended July 31, 2024 compared to the six months ended July 31, 2023.

Cash flows

During the six months ended July 31, 2024, the Company used \$174,037 in operating activities (2023: \$113,898). The costs of developing the NFTs authentication platform was paid by cryptocurrency (USDC) and mainly the other operating expenses contributed to the operating cash outflow for the period ended July 31, 2024.

During the six months ended July 31, 2024, the Company completed an equity financing in the amount of \$650,000. The consideration was received in USDC and the Company sold \$241,146 worth of USDC for cash.

**CASCADIA BLOCKCHAIN GROUP CORP.
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SUMMARY OF QUARTERLY RESULTS

The following financial information for the Company has been derived from the Company's financial statements for the Company's most recent 8 quarters.

	For the Three Months Ended							
	Fiscal 2025		Fiscal 2024				Fiscal 2023	
	July 31, 2024	Apr. 30, 2024 (*)	Jan. 31, 2024	Oct. 31, 2023	July 31, 2023	Apr. 30, 2023	Jan. 31, 2023	Oct. 31, 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Income (loss) from continuous operations	(96,357)	(533,201)	(106,100)	(85,643)	(112,336)	(78,444)	(101,354)	(139,280)
Earning (loss)								
Per share - basic	(0.001)	(0.006)	(0.001)	(0.001)	(0.002)	(0.001)	(0.001)	(0.002)
per share - basic and diluted	(0.001)	(0.006)	(0.001)	(0.001)	(0.002)	(0.001)	(0.001)	(0.002)

* The significant loss for the three months ended April 30, 2024 was due to developing the NFTs authentication platform.

LIQUIDITY AND CAPITAL RESOURCES

Historically the Company has been successful in raising capital through private placements to finance day-to-day operation and expansion. The Company continually reviews operational results and expenditures to ensure adequate liquidity to support its growth strategy while maintaining the current operation. However, there is no guarantee that the Company will have access to future capital or the ability to generate positive cash flows.

As at July 31, 2024, the Company had a cash balance of \$100,412 compared to a cash balance of \$33,303 as at January 31, 2024. The Company had a working capital deficit of \$1,002,691 as at July 31, 2024 (January 31, 2024: \$1,020,356).

GOING CONCERN

For the six months ended July 31, 2024, the Company incurred a net loss of \$629,558 and has an accumulated deficit of \$15,246,027 as at July 31, 2024. The Company's ability to continue as a going concern and to realize assets and discharge its liabilities in the normal course of business is dependent upon its generating profitable operations, obtaining additional financing or maintaining continued support from its shareholders and creditors, and identifying and acquiring other businesses or assets in the future. These factors indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The salaries, consulting fee and benefits compensation of key management personnel of the Company was \$126,000 for the six months ended July 31, 2024 (2023: \$126,000).

Key management includes directors, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company.

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Included in accounts payable and accrued liabilities were salaries, consulting fee and benefits payable of \$888,011 (January 31, 2024: \$814,511) due to directors and officers of the Company.

The Company has an unsecured loan of \$50,000 from a director of the Company as of July 31, 2024 (January 31, 2024: \$50,000). The loan is due on demand and bears interest of 10% per annum. As at July 31, 2024, interest accrual of \$5,814 (January 31, 2024: \$3,329) is recorded in accounts payable and accrued liabilities.

These transactions are in the normal course of operations and are measured at the exchange amount established and agreed to by the related parties.

DIRECTORS AND OFFICERS

Di Deng	Chairman of the Board of Directors, President and Chief Executive Officer (appointed on September 20, 2020)
Hanxuan Wu	Director and Chairwoman of Audit Committee (appointed on September 20, 2020)
Shanshan Zhu	Director
Eason Chen	Interim Chief Financial Officer (appointed on October 7, 2020)

OUTSTANDING SHARE DATA AS AT JULY 31, 2024 AND SEPTEMBER 30, 2024

As of July 31, 2024 and September 30, 2024, the Company has 95,043,359 outstanding common shares and no outstanding stock option and warrants.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could 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 further periods if the review affects both current and future periods.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the consolidated financial statements.

Critical accounting judgements are accounting policies that have been identified as being complex or involve subjective judgments or assessments with a significant risk of material adjustment in the next fiscal year.

Significant judgement areas include:

- The classification of cryptocurrency as intangible assets; and
- The ability of the Company to continue as a going concern.

FINANCIAL INSTRUMENTS

The Company classifies its cash and cash equivalents as financial asset measured at FVTPL, accounts receivable and other receivables (excluding GST recoverable) as financial assets measured at amortized cost, its accounts payable and loans payable as financial liabilities measured at amortized cost. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of their fair value due to the relatively short period to maturity of these financial instruments.

Fair value

The following table summarizes the carrying values of the Company's financial instruments:

	July 31, 2024	January 31, 2024
	\$	\$
Financial assets at fair value through profit or loss (i)	100,412	33,303
Financial assets measured at amortized cost (ii)	2,491	2,489
Financial liabilities measured at amortized cost (iii)	1,106,815	1,057,986

(i) Cash and cash equivalents and USDC

(ii) Accounts receivable and other receivables - excluding GST recoverable

(iii) Accounts payable, and accrued liabilities and loan payable

Financial instruments measured at fair value on a recurring basis are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents and USDC are classified as Level 1. There were no transfers into or out of Level 2 or Level 3 during the six months ended July 31, 2024.

Financial risk management

The Company's financial risks arising from its financial instruments are market risk, credit risk, liquidity risk and interest rate risk. The Company's exposure to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of currency risk, which is the risk that exposes the Company to financial risk related to the fluctuation in exchange rates.

The Company has certain expenditures and payables in RMB. If RMB appreciates / depreciates by 5% as of July 31, 2024, the Company's net loss and deficit would increase / decrease by approximately \$3,990.

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Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company's credit risk with respect to its cash is minimal as it is held with a large financial institution. The Company's maximum exposure to credit risk for the components of the condensed interim consolidated statement of financial position at July 31, 2024 and 2023 is the carrying value of each class of financial assets disclosed in the condensed interim consolidated financial statements.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at July 31, 2024, the Company had a working capital deficit of \$1,002,691 (January 31, 2024: deficit \$1,020,356). All of the Company's financial liabilities are classified as current.

Interest rate risk

The Company has no interest-bearing debt. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company is not exposed to significant interest rate risk.

APPROVAL

The Board of Directors of Cascadia Blockchain Group Corp. has approved the contents of this management discussion and analysis on September 30, 2024.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR+ at www.sedarplus.ca.