

BITCOIN WELL INC.

**ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED
DECEMBER 31, 2024**

March 11, 2025

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EXPLANATORY NOTES

Unless otherwise stated, the information in this annual information form (the “**Annual Information Form**”) is stated as at March 11, 2025.

The information presented herein relates to the financial year ended December 31, 2024 of Bitcoin Well Inc. (formerly Red River Capital Corp.) (the “**Company**” or “**Bitcoin Well**”). Unless otherwise noted or the context otherwise indicates, the “Company”, “we”, “us” and “our” refer to Bitcoin Well Inc.

On June 11, 2021, 228397 Alberta Ltd. (“**Subco**”), a wholly owned subsidiary of Red River Capital Corp. (“**Red River**”), amalgamated with 1739001 Alberta Ltd. (“**Old Bitcoin Well**”) to form Bitcoin Well Canada Ltd. (formerly Bitcoin Well Holdings Inc.) (“**Amalco**” or “**Bitcoin Well Canada**”), which constituted a reverse takeover of Red River by Old Bitcoin Well (the “**Qualifying Transaction**”) under the policies of the TSX Venture Exchange (“**TSXV**”). The Company’s Common Shares (as defined herein) resumed trading on the TSXV under the new symbol “BTCW” on July 30, 2021.

For an explanation of the capitalized terms and expressions and certain defined terms, please refer to the “Glossary of Terms” at Appendix “A” of this Annual Information Form.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form includes certain statements and information that constitutes “forward-looking statements” and “forward-looking information” under applicable securities laws (“forward-looking statements” and “forward-looking information” are collectively referred to herein as “**forward-looking statements**”, unless otherwise stated). Forward-looking statements appear in a number of places in this Annual Information Form and include statements and information regarding the intent, beliefs or current expectations of the Company’s officers and directors and statements relating to projected growth in the security and related industries, and other factors that the Company believes are appropriate and reasonable in the circumstances. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Annual Information Form, words such as “expects”, “is expected”, “anticipates”, “estimates”, “projects”, “plans”, “goals”, “objectives”, “outlook”, “believes”, “could”, “intends”, “may”, “predicts”, “will”, “would” and similar expressions are intended to identify these forward-looking statements. Forward-looking statements may relate to the Company’s future outlook and anticipated events or results and may include statements regarding the Company’s future business strategy, plans and objectives; outlook on the cryptocurrency and digital assets industry; the future global size of the cryptocurrency market; the prominence and security of bitcoin; ability to complete requested transactions; uses of cryptocurrency and digital assets; financial estimates; the Company’s litigation with Rapid Cash (as defined herein); the licensing of Rise Wallet’s technologies and other intellectual property applications; the Company’s agreement with an Exchange Provider (as defined herein); the Company’s ability to raise additional capital; industry competition; the business, operations and profitability of the Company; the Company’s sources of revenues; the expected value of bitcoin and other digital assets; drivers for market growth in the cryptocurrency industry and bitcoin market trends; laws and regulations relating to cryptocurrencies and digital assets; the Company’s plans and opportunities to expand its product and service offerings; the Company’s ability to continue as a going concern; the Company’s sales and marketing plans; the Company’s development of formal internal advertising and marketing policies and procedures; the Company being subject to certain regulatory regimes and compliance thereof; the business objectives, strategies and milestones of the Company pertaining to, but not limited to, buying and selling bitcoin and enabling independence; factors affecting the Company’s success; the Company’s ability to obtain licenses and permits; the Company growing its market presence; the payment of dividends; voting entitlements and

other rights attached to shares; and disclosure of conflicts of interest.. The Company has based the forward-looking statements largely on its current estimates, assumptions and projections about future events and trends that it believes, as of the date of this Annual Information Form, may affect its business, financial condition, and results of operations.

These forward-looking statements were derived using numerous assumptions, and while the Company considers these assumptions to be reasonable, based on information currently available, such assumptions may prove to be incorrect. Accordingly, readers are cautioned to not put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future events or results.

Forward-looking statements speak only as of the date such statements are made. Except as required by applicable law, the Company assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If the Company updates any one or more forward-looking statements, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements. Readers should not place undue importance on forward-looking statements and should not rely upon these statements as of any other date. All forward-looking statements contained in this Annual Information Form are expressly qualified in their entirety by this cautionary statement.

The material factors and assumptions used in developing the forward-looking statements are based on certain assumptions and analysis made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. Such assumptions include, among others, those relating to:

- general economic conditions;
- the legislative and regulatory environment of the cryptocurrency industry;
- the impact of increasing competition;
- the ability to obtain regulatory and shareholder approvals;
- the Company's ability to successfully acquire and maintain required regulatory licences and qualifications;
- prices of cryptocurrencies;
- the emerging digital currency and cryptocurrency markets and sectors;
- the Company's ability to maintain good business relationships;
- the Company's ability to manage and integrate acquisitions;
- the Company's ability to raise sufficient debt or equity financing to support the Company's continued growth;
- the technology, proprietary and non-proprietary software, data and intellectual property of the Company and third parties in the digital currencies and digital asset sector being reliable to conduct the Company's business;

- the Company not suffering a material impact or disruption from a cybersecurity incident, cyber- attack or theft of digital assets;
- continued growth in usage of cryptocurrency for various applications;
- continued development of a stable public infrastructure, with the necessary speed, data capacity and security required to operate blockchain networks;
- the Company's ability to maintain the listing of its Common Shares on the TSXV;
- the absence of adverse regulations or laws;
- the absence of material changes in the legislative, regulatory or operating framework for the Company's existing and anticipated business; and
- future demand for and prices of cryptocurrencies.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Some of the factors that could cause outcomes and results to differ materially from those expressed in the forward-looking statements include:

- widespread pandemic and risks related thereto;
- international conflict;
- additional requirements for capital;
- use of funds;
- competition;
- approvals, licenses and permits;
- global financial conditions;
- reliance on customers;
- clients, contracts and market saturation;
- corruption and bribery risk;
- compliance with laws;
- strategic alliances with third parties;
- insurance;
- dependence on key management personnel;
- conflicts of interest;

- fraudulent or illegal activity by employees, contractors and consultants;
- internal controls;
- general economic risks;
- liquidity and additional financing;
- management of growth;
- anti-money laundering laws and regulation risks;
- credit and liquidity risk;
- litigation;
- cybersecurity risks;
- limited operating history;
- additional financing;
- changes in technology;
- reliance on key inputs;
- dependence on suppliers and skilled labour;
- intellectual property;
- the volatility of the value of bitcoin and other cryptocurrencies;
- bitcoin halving risk;
- momentum pricing risk and volatility;
- cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure;
- banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency related services or that accept cryptocurrencies as payment;
- changes to prominence of bitcoin and other digital assets;
- the impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain;
- further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is uncertain;
- possibility of less frequent or cessation of monetization of cryptocurrencies;

- cryptocurrency network difficulty and impact of increased global computing power;
- limited history of de-centralized financial system;
- regulatory changes or actions;
- issues with the underlying the bitcoin network;
- bitcoin's blockchain may temporarily or permanently fork and/or split;
- presence of malicious actors;
- incorrect or fraudulent coin transactions may be irreversible;
- the price of coins may be affected by the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets;
- custody of cryptocurrency;
- a determination that a digital asset is a "security" in the United States;
- Bitcoin Well relies on third parties for services and licenses;
- Bitcoin Well's cryptocurrency inventory may be exposed to cybersecurity threats and hacks;
- regulatory changes or actions may alter the nature of an investment in Bitcoin Well or restrict the use of cryptocurrencies in a manner that adversely affects Bitcoin Well's operations;
- Bitcoin Well will rely on third parties to provide bitcoin and other cryptocurrency inventory;
- Bitcoin Well derives a substantial portion of its revenue from Bitcoin Well ATMs placed with a number of merchants;
- Bitcoin Well may be required to sell its coins to pay for expenses;
- Bitcoin Well's operations, investment strategies, and profitability may be adversely affected by competition from other methods of investing in cryptocurrencies;
- Bitcoin Well's coins may be subject to loss, theft or restriction on access;
- Risk related to technological obsolescence and difficulty in obtaining hardware;
- server failures;
- dependence on licensed software;
- Bitcoin Well has a back-up process with respect to its cryptographic keys, particularly the private key, as well as passwords or passphrases needed to access a wallet;
- market volatility;

- decline in price;
- tax issues;
- dilution; and
- the Company's dividend policy.

Accordingly, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this Annual Information Form. These risks are further described under the heading "*Risk Factors*" in this Annual Information Form.

PRESENTATION OF FINANCIAL INFORMATION

The Company presents its financial statements in Canadian dollars. All dollar figures in this Annual Information Form are in Canadian dollars, unless otherwise indicated. All of the financial data contained in this Annual Information Form relating to the Company has been prepared using International Financial Reporting Standards.

BACKGROUND AND CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on December 20, 2017 by certificate of incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) ("**ABCA**") under the corporate name "Red River Capital Corp." and completed its initial public offering on July 26, 2018. Red River was a CPC (as defined herein) and its principal business was to identify and evaluate businesses and assets with a view to completing a qualifying transaction within the meaning of TSXV policies and, having identified and evaluated such opportunities, to negotiate an acquisition or participation subject to acceptance by the TSXV.

Old Bitcoin Well was incorporated pursuant to the provisions of the ABCA on March 28, 2013 and carried on the business of: (i) facilitating the purchase and sale of bitcoin and other cryptocurrencies in Canada; (ii) owning and operating ATMs for bitcoin and other cryptocurrencies, related ATM equipment, and all associated services including, without limitation, selling, distributing, leasing, financing, installing and servicing ATMs and associated ATM equipment; (iii) providing electronic processing services relating to transactions requested or carried out using ATMs (for equipment owned by Old Bitcoin Well or third parties); (iv) offering bill payment solutions; and (v) buying gift cards with bitcoin and other cryptocurrencies (the "**Business**").

On June 11, 2021, the Company completed the Qualifying Transaction, pursuant to which Subco, a wholly owned subsidiary of Red River, amalgamated with Old Bitcoin Well to form a newly amalgamated company, Amalco, which now holds the assets of Bitcoin Well, and carries out the Business, as a wholly-owned subsidiary of the Company. Contemporaneous with the Qualifying Transaction, the Company also changed its name from "Red River Capital Corp." to "Bitcoin Well Inc."

The head office of the Company is located at #203, 10138 - 82 Avenue N.W., Edmonton, Alberta T6E 1Z4 and the registered office is located at 10175-101 Street NW, Suite 1700, Edmonton, Alberta, T5J 0H3.

The Company's Common Shares are listed for trading on the TSXV under the ticker symbol "BTCW" and on the OTCQB under the symbol "BCNWF". See "*Market for Securities*".

As of the date hereof, the authorized capital of the Company consists of an unlimited number of Common Shares without par value, of which 220,161,726 Common Shares are issued and outstanding as fully paid and non-assessable.

Intercorporate Relationships

The following table sets forth the relationships among the Company and its principal subsidiaries, the percentage of votes attaching to all voting securities of its respective subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Company, as well as their respective jurisdictions of incorporation, continuance, formation or organization. This table excludes certain subsidiaries, the assets and revenues of which did not individually exceed 10 per cent, or in the aggregate exceed 20 per cent, of the total consolidated assets or total consolidated revenues of the Company as at December 31, 2024.

Name of Subsidiary	Place of Incorporation	Ownership Interest
Bitcoin Well Canada Ltd.	Alberta	100%
Ghostlab Inc.	Alberta	100%
2624894 Alberta Ltd.	Alberta	100%
Independent Well USA Corp.	Wyoming	100% ⁽¹⁾

Notes:

- (1) 2624894 Alberta Ltd. holds 100% of the outstanding equity securities of Independent Well USA Corp.

DEVELOPMENT OF THE BUSINESS

Year-ended December 31, 2022

Appointment of Chief Financial Officer

On January 4, 2022, the Company appointed Allen Stephen as Chief Financial Officer of the Company. Allen Stephen assumed the position from Luke Thibodeau who was Controller and served as Interim Chief Financial Officer of the Company. Luke Thibodeau remained with the Company in the role of Director of Finance.

Shares for Debt Transactions

On March 1, 2022, the Company issued 423,555 Common Shares at a deemed price of \$0.18 per share to certain employees in settlement of bonuses for past performance in the aggregate amount of \$76,240. In addition, on March 1, 2022, the Company issued 54,689 Common Shares at a deemed price of \$0.18 per share to its former interim Chief Financial Officer in settlement of \$9,844 owing pursuant to the terms of an employment letter agreement between the Company and the former interim Chief Financial Officer dated October 29, 2021.

Convertible Debt Financing

On February 23, 2022, the Company entered into an agreement to issue up to \$5.0 million in secured convertible debentures (the “**2022 Convertible Debentures**”), convertible into Common Shares at a conversion price of \$0.30. The 2022 Convertible Debentures were issued in three tranches, totaling \$5.0 million, to Beyond The Rhode Corp. (“**BTR**”), a company controlled by a director of the Company. The first tranche in the principal amount of \$1.5 million was issued on February 23, 2022, the second tranche

in the principal amount of \$2.0 million was issued on March 17, 2022, and the third tranche in the principal amount of \$1.5 million was issued on July 4, 2022.

The 2022 Convertible Debentures incurred interest at a rate of 10% per annum and were scheduled to mature on February 23, 2025, subject to two automatic one year extensions. The Company had the right to force conversion of the principal amount if the volume weighted average trading price for the common shares for ten trading days equals or exceeds \$0.60 per common share. The Company also had the option to repay any amounts of the 2022 Convertible Debentures with no penalty at any time after February 23, 2023.

The 2022 Convertible Debentures also provided for the payment of a monthly royalty to the holder equal to: (A) 20% of the gross profit of the Company and its subsidiaries, defined as the revenue generated less the cost of the coins generated from the new products built for the Online Portal (as defined herein) from February 23, 2022 until August 23, 2023; and (B) ranging from 12-20% of gross profit from August 23, 2023 until the later of three months after the most recent conversion date or the maturity date. No royalty payment would be made if the aggregate amount of all interest payments, future interest payments and royalty payments exceeded 24% per annum. As of December 31, 2024, the Company had paid total royalties of \$77,169 pursuant to the 2022 Convertible Debentures.

On May 1, 2023, the Company amended the 2022 Convertible Debentures, which reduced the conversion price to \$0.25 per share (formerly \$0.30 per share), amended the interest rate to prime + 6.2% per annum (formerly 10% per annum), and extended the term of the loan to five years from the amendment date. The Company has the right to force conversion of the principal amount if the volume weighted average trading price for the common shares for ten trading days equals or exceeds \$0.50 per common share. The Company also has the option to repay any amounts of the 2022 Convertible Debentures with no penalty, at any time. As of December 31, 2024, the Company owed \$4.1 million under the 2022 Convertible Debentures.

New Directors Appointed

On June 16, 2022, at the annual general meeting of shareholders of the Company, the shareholders of the Company elected Mitchell Demeter, David Bradley, Adam O'Brien and Terry Rhode as directors of the Company. Adam O'Brien and David Bradley were re-elected and Mitchell Demeter and Terry Rhode were newly appointed to the Board of Directors.

OTCQB Trading in the U.S.

On August 16, 2022, the Common Shares began trading in the United States on the OTCQB market under the symbol "BCNWF". The Company's Common Shares are eligible for electronic clearing and settlement through the Depository Trust Company.

Year-ended December 31, 2023

Bridge Loan Financing

On January 6, 2023, the Company received a \$1.05 million bridge loan from an arm's length party for a period of four months (the "**Bridge Loan**"). The Bridge Loan incurred interest at a rate of 12.5%. The proceeds of the loan were used to repay certain existing cryptocurrency denominated loans. The bridge loan was repaid in full on May 10, 2023.

Chief Financial Officer and Board of Directors

On January 31, 2023, Luke Thibodeau was appointed as Chief Financial Officer of the Company, replacing Allen Stephen, and Allen Stephen was appointed to the Board of Directors.

Convertible Debentures

On February 16, 2023, the Company issued a secured convertible debenture for up to \$700,000 (the “**February Debenture**”), and on March 28, 2023, the Company issued a secured convertible debenture for up to \$400,000 (the “**March Debenture**”) to refinance a portion of the Company’s existing bitcoin denominated debt. At the option of the holder, the principal amount of the February Debenture and March Debenture is convertible into Common Shares at a conversion price of \$0.15 per Common Share, with a required four month hold period and subject to TSXV acceptance. Bitcoin Well has the right to require the holder to convert any portion of the principal amount into Common Shares at any time where the current market price of the Common Shares equals or exceeds \$0.30 for a period of ten consecutive trading days. The February Debenture and March Debenture bear interest at a rate of 8% + Bank of Canada policy interest rate per annum. The February Debenture matures on February 16, 2026 and the March Debenture matures on March 28, 2026.

Master Loan Agreement

On March 1, 2023, the Company and Coinsquare Ltd. entered into a master loan agreement, pursuant to which the Company and Coinsquare Ltd. may, from time to time, seek to enter into a transaction pursuant to which Coinsquare Ltd., as lender, will lend Canadian dollars to Bitcoin Well, as the borrower. Bitcoin Well agreed to direct its digital currency transaction flow to the trading platform operated by Coinsquare Ltd.’s investment dealer subsidiary, Coinsquare Capital Markets Ltd., for execution on the terms set out in the agreement. There was no balance outstanding under this loan agreement as of December 31, 2024.

Non-Custodial Bitcoin Agreements in the United States

On March 7, 2023, entered into an agreement with Cybrid Inc. to offer its non-custodial bitcoin services to customers in the United States. The agreement stipulates that Bitcoin Well will benefit from the partner’s licensing, banking and liquidity relationships to be able to provide a seamless customer experience to buy, sell use bitcoin in the United States. The Company is live in all 50 states in the United States as of February, 2024. The initial term of this agreement was 12 months from March 7, 2023 and automatically renews for subsequent 12 month periods, unless one of the parties provides written notice to the other at least 30 days before the date upon which this agreement will automatically renew.

Additional Advancements to Convertible Debentures

In April 2023, an additional \$500,000 was advanced pursuant to the 2022 Convertible Debentures. This amount was repaid in September 2023.

Additional Use of Coin Agreements

In March and May 2023, the Company was loaned an additional 60 bitcoins from certain insiders and arm’s length parties pursuant to additional Use of Coin Agreements. The terms of these Use of Coin Agreements were amended on September 1, 2023. See “*Development of the Business – Year Ended December 31, 2023 – Amendment to Use of Coin Agreements*” and “*Business of the Company – Operations – Cryptocurrency Inventory*”.

Line of Credit Agreements

On May 30, 2023, Bitcoin Well Canada entered into three line of credit agreements with Ledn Hold LP (“**Ledn**”), consisting of a standard bitcoin-backed USD loan for an aggregate amount of USD\$3,094,446.24. Each loan is a fixed-term, fixed credit, closed-end loan that is collateralized by an initial collateral consisting of an aggregate number of 173.101 bitcoins and any additional collateral required under the terms of each line of credit agreement. Each loan tranche currently has an annual interest rate of 13.4% and term of 12 months, which can be renewed or extended at any time by mutual agreement of the Company and Ledn. The Company may also repay the loan tranches at any time. At December 31, 2024, the balance of the loan tranches payable pursuant to the line of credit was USD\$6,710,453 with maturity dates ranging from October 7, 2025 to December 23, 2025. The collateral held by Ledn related to the outstanding loan tranches at December 31, 2024 was 141.83 bitcoins.

Debt Settlement

On June 30, 2023, the Company settled the balance owing of contingent consideration related to the acquisition of Equibytes in September 2021 by issuing 1,152,273 Common Shares at a deemed price of \$0.055 per Common Share.

Change of Chief Financial Officer

On August 15, 2023, Allen Stephen replaced Luke Thibodeau as Chief Financial Officer of the Company.

Warrant Issuance

On September 8, 2023, the Company issued 7,000,000 Warrants, each exercisable to acquire one Common Share at a price of \$0.05 per share for a period of five years from the issuance date. Of the total issuance, 5,400,000 Warrants were issued to David Bradley, former chief revenue officer and a current director of the Company, and 1,600,000 Warrants were issued to Tyler Tollefson, former general counsel of the Company, in settlement of all outstanding obligations of the Company to David Bradley and Tyler Tollefson at the time of the issuance.

Non-brokered LIFE Financing

On September 1, 2023, the Company closed a non-brokered private placement offering of 23,291,985 units of the Company at a price of \$0.06 per unit for gross proceeds of C\$1,397,519.24 pursuant to the listed issuer financing exemption under Part 5A of NI 45-106. Each unit was comprised of one Common Share and one common share purchase warrant of the Company exercisable to purchase one Common Share at a price of C\$0.18 per share until September 1, 2026, subject to accelerated expiry.

Amendment to Use of Coin Agreements

On September 1, 2023 the Company entered into amendment agreements to amend the term of each Use of Coin Agreement and to amend the interest rates thereunder. The Use of Coin Agreement become due after 12 months’ written notice from the applicable holders, are unsecured, and bear interest at fixed rates ranging from 6.0% to 10.0% per annum or at a variable rate equal to bank prime plus 9% per annum, calculated based on the value of the underlying cryptocurrency at the time the loans were originated. Pursuant to the amendment agreements, the Company prepaid interest owing of \$792,519 on the Use of Coin Agreements and the holders waived any interest payable on the Use of Coin Agreements prior to September 1, 2023. See “*Business of the Company – Operations – Cryptocurrency Inventory*”.

Dispute with Rapid Cash ATM Ltd.

Subsequent to September 30, 2023, Rapid Cash ATM Ltd. (“**Rapid Cash**”) suddenly uninstalled and removed the Company’s software from Rapid Cash’s ATMs that were operating in the Company’s partner program. As a result, the Company terminated the hosting agreement between Rapid Cash and Bitcoin Well Canada dated August 28, 2020 (the “**Hosting Agreement**”) pursuant to which Rapid Cash previously operated approximately 100 ATM machines under the Company’s partner program. The Company intends to pursue its rights under the hosting agreement and has commenced an action against Rapid Cash before the Court of King’s Bench of Alberta. See “*Legal Proceedings and Regulatory Actions*”.

CFO and Director Changes

On November 13, 2023, Jason Vandenberg replaced Allen Stephen as Chief Financial Officer of the Company, and Allen Stephen resigned from the Board of Directors.

Issuance of Shares

On December 7, 2023, the Company issued 1,333,333 Common Shares at a deemed price of \$0.03 per share to an arm’s length party as payment for past services rendered to the Company.

Year-ended December 31, 2024

Sponsorship Agreement

Effective as of February 1, 2024, the Company entered into a sponsorship agreement (the “**Sponsorship Agreement**”) with Energon Entertainment LLC, the producer of the Simply Bitcoin podcast (“**Simply Bitcoin**”). The agreement had an initial term of 7 months (“**Term 1**”) and automatically renewed for an additional 6 month term (“**Term 2**”). Either party may terminate the Sponsorship Agreement on 14 days’ prior written notice. Pursuant to the Sponsorship Agreement on April 17, 2024, the Company issued to Simply Bitcoin 571,428 Common Shares at a deemed price of \$0.105 per share for payment of services rendered in the first month of Term 1. For the remaining 6 months of Term 1, the Company paid Simply Bitcoin USD\$10,000 per month in cash, while USD\$15,000 per month accrued and became payable following the end of Term 1. The accrued USD\$90,000 was subsequently settled on October 29, 2024, through the issuance of 1,428,459 Common Shares at a price of C\$0.085 per share. During Term 2, the Company paid Simply Bitcoin USD\$15,000 per month in cash.

Brokered LIFE Financing

On March 22, 2024, the Company closed a brokered offering of 13,352,797 units (the “**2024 LIFE Units**”) of the Company at a price of \$0.175 per unit for gross proceeds of \$2,336,739.48 pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 (the “**Brokered LIFE Financing**”). Each 2024 LIFE Unit was comprised of one Common Share and one-half of one common share purchase warrant of the Company, with each whole warrant entitling the holder to purchase one Common Share at a price of \$0.275 for a period of 3 years following the closing date of Brokered LIFE Financing.

In connection with the Brokered LIFE Financing, the Company (i) paid to Haywood and the selling group a cash commission of \$156,555.58; (ii) issued to Haywood and the selling group 894,603 Compensation Options (as defined herein) of the Company, each exercisable to acquire one 2024 LIFE Unit at a price of \$0.175 per unit for 3 years from the closing date of the Brokered LIFE Financing; and (iii) paid to Haywood a corporate finance fee of \$100,000 (plus applicable taxes), which was paid 25% in cash and 75% by the issuance of 428,571 2024 LIFE Units.

Issuance of Shares

On September 30, 2024, the Company issued 541,000 Common Shares to BTC Sessions at a deemed price of \$0.12 per share for services rendered to the Company.

Debenture Unit Offering

On December 30, 2024, the Company closed an offering of 2,000 convertible debenture units of the Company (the “**Debenture Units**”) at a price of \$1,000 per Debenture Unit for aggregate gross proceeds of \$1,100,000 on a brokered basis and \$900,000 on a non-brokered basis (collectively, the “**Debenture Unit Offering**”). Each Debenture Unit consists of: (1) one 8% \$1,000 principal amount unsecured convertible debenture; and (2) 4,347 Warrants, with each Warrant entitling the holder to purchase one Common Share at a price of \$0.30 for a period of 60 months following the closing date of the Debenture Unit Offering.

In connection with the Debenture Unit Offering, the Company (i) paid to Haywood Securities Inc., as lead agent and sole bookrunner, and Ventum Financial Corp. (collectively, the “**Debenture Unit Offering Agents**”) a cash commission of \$77,000; (2) issued to the Debenture Unit Offering Agents 334,782 non-transferrable Compensation Options of the Company, with each Compensation Option exercisable at any time prior to December 30, 2029 at \$0.23 to purchase one Compensation Option Unit (as defined herein), with each Compensation Option Unit comprised of one Common Share and one Warrant; and (3) paid to Haywood Securities Inc. a corporate finance fee of \$66,000, satisfied by way of issuing 286,956 units of the company (the “**Corporate Finance Fee Units**”) at a deemed price of \$0.23 per unit, with each Corporate Finance Fee Unit comprised of one Common Share and one Warrant. The Warrants comprising the Compensation Option Units and the Corporate Finance Fee Units shall have the same terms as the Warrants comprising the Debenture Units.

Current Financial Year (2025)

Debt Settlement

On February 3, 2025, the Company elected to settle outstanding debt totaling \$133,289 (the “**Outstanding Debt**”) through the issuance of an aggregate 742,789 Common Shares, of which 536,408 Common Shares were issued at a deemed price of \$0.190 per share to settle \$101,919 of the Outstanding Debt, and 206,381 Common Shares were issued at a deemed price of \$0.152 per share to settle \$31,370 of the Outstanding Debt.

Regulatory Discussions with the OSC

On March 3, 2025, staff at the Ontario Securities Commission (the “**OSC**”) notified the Company that the OSC is of the view that certain products and services offered by the Company, including but not limited to its services where customers can trade crypto assets using cash vouchers, may be subject to Ontario securities laws. The Company has agreed to work with the OSC to determine whether it is required to register or otherwise bring its operations into compliance with Ontario securities laws. There is no assurance as to the outcome of these discussions, and the Company may be required to modify its business practices or seek regulatory approvals to continue offering certain products and services. See “*Risk Factors*”.

BUSINESS OF THE COMPANY

Narrative Description of the Business

Overview of Business

Bitcoin Well carries on the business of: (i) facilitating the online purchase and sale of bitcoin in Canada; (ii) owning and operating ATMs for bitcoin, related ATM equipment, and all associated services including, without limitation, selling, distributing, leasing, financing, installing and servicing ATMs and associated ATM equipment; (iii) providing electronic processing services relating to transactions requested or carried out using ATMs (for equipment owned by Bitcoin Well or third parties); (iv) offering bill payment solutions online; and (v) buying gift cards with bitcoin and other cryptocurrencies. Bitcoin Well provides these services through two business units, offering the convenience of modern banking with the benefits of bitcoin.

The first business unit is a fleet of 165 bitcoin ATM machines placed and operating in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia. Bitcoin Well aims to set up its ATMs in high-traffic, transaction-heavy locations such as shopping malls, coffee shops, transportation hubs and convenience stores.

The second business unit is a non-custodial online bitcoin portal (the “Online Portal”), which provides a platform for users to buy, sell and use bitcoin online. This business unit is designed to offer bank-like functionality coupled with the benefits of bitcoin. This business unit was officially deployed in November 2022.

In February 2024, Bitcoin Well began accepting customers in all 50 states in the United States through a partnership where Bitcoin Well acquires the customer, but compliance, bitcoin purchasing and delivery is handled by an arm’s length partner. In the United States, Bitcoin Well offers customers the ability to fund their account from a linked bank account and purchase bitcoin with that balance. Customers are also able to sell bitcoin and receive dollars directly to their linked bank account. In January 2025, Bitcoin Well enabled customers to deposit their paychecks to buy bitcoin.

An important distinction between Bitcoin Well and many other bitcoin businesses is that Bitcoin Well is non-custodial, which makes its platform a secure and safe place to buy bitcoin. An example of a custodial business is a cryptocurrency exchange, run as an online website where users can buy and sell cryptocurrency price exposure, similar to trading stocks on an equity market. A custodial cryptocurrency business only provides users with a right to acquire bitcoin or other cryptocurrencies, whereas bitcoin purchased through Bitcoin Well is immediately delivered to the purchaser. Bitcoin Well does not hold bitcoin or other cryptocurrencies or private keys on behalf of any customers, and does not act as an exchange in respect of bitcoin or other cryptocurrencies. Methods of payment for Bitcoin Well transactions can vary from cash, verified money order, online voucher systems, Interac e-Transfer and others. See “Risk Factors”.

Principal Products or Services

Bitcoin Well currently provides a host of bitcoin and other cryptocurrency services. Bitcoin Well also provides consultation services to educate potential new customers on cryptocurrencies and provides multiple platforms that allow customers to buy and sell cryptocurrencies instantly and securely.

Bitcoin Well aims to establish itself as an emerging leader in the bitcoin space. As relatively new digital commodities and technologies, cryptocurrencies have not yet been widely adopted as a means of payment for goods and services by individuals, major retail and commercial outlets. Conversely, a significant portion of bitcoin and cryptocurrency demand is generated by speculators and investors seeking to profit from the short-term or long-term holding of bitcoin and other cryptocurrencies. The relative lack of acceptance of bitcoin and other cryptocurrencies in the retail and commercial marketplace limits the ability of end-users to use cryptocurrencies to pay for goods and services. Bitcoin Well enables access to

bitcoin for individuals and businesses that is easy to understand and familiar, at its core, a simple buy-sell transaction. Bitcoin Well is seeking to address the slow adoption of by providing the following services:

- (a) buying and selling bitcoin and other cryptocurrencies through Bitcoin Well's ATM network in Canada;
- (b) buying and selling bitcoin through Bitcoin Well's Online Portal;
- (c) using bitcoin or other cryptocurrencies to purchase gift cards or similar prepaid debit cards; and
- (d) using bitcoin to pay bills.

Of these services, selling and purchasing bitcoin and other cryptocurrencies (including via bill payment) represents the majority of the services offered by Bitcoin Well.

The following table outlines the breakdown of Bitcoin Well's revenue by business segment:

Business Segment	Revenues (%) (Year End 2023)	Revenues (%) (Year End 2024)
ATMs business segment	59.6%	26.8%
Online Portal business segment	40.4%	73.2%

See “*Development of the Business – Recent Events*” and “*Cautionary Statement Regarding Forward-Looking Information*”.

Bitcoin ATMs

Bitcoin Well provides individuals the option to purchase or sell bitcoin and other cryptocurrencies by way of ATMs located throughout Canada. Currently, Bitcoin Well has 165 ATMs in its network located in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia. Bitcoin Well owns and operates a network of ATMs that serve the Canadian bitcoin and other cryptocurrency market and can be used for international markets as opportunities arise. Bitcoin Well intends to operate using a combination of ATMs and online sales avenues for the buying and selling of bitcoin. For the year ended December 31 2024, ATM sales account for approximately 26.8% of Bitcoin Well's revenue. Online sales account for the remainder.

Online Portal

In Q4 2022, the Company launched the Online Portal, offering Canadians a way to buy, sell and use bitcoin online. This business unit is designed to offer bank-like functionality coupled with the benefits of bitcoin. Currently the Online Portal supports wire transfer, Interac e-Transfer and traditional bill payment rails to purchase bitcoin, and e-Transfer to support the sale of bitcoin in Canada. The Online Portal supports ACH payment rail in USA. The online platform also supports payment of bills (credit card, utilities, etc.), and allows the purchase of gift cards to multiple merchants around the world. The Online Portal supports recurring buy orders to allow pre-determined and automated customer purchases. In February 2024, the Company completed its rollout of the Online Portal in the United States and plans to continue developing services for their US clientele.

Bill Payment

Bitcoin Well offers support for individuals who wish to pay bills with bitcoin using the Online Platform. Bitcoin Well offers 24/7 access to its bill payment service with access to many of Canada's large merchants.

Gift Cards

Bitcoin Well facilitates the purchase of gift cards from Canada's leading brands which allow the holder to purchase merchant gift cards with bitcoin or other cryptocurrency and have the card delivered via email for online use within minutes. Customers can purchase gift cards online, similar to traditional gift cards. Customers need to ensure they are looking at the correct country's gift card selection on Bitcoin Well's website. Customers search for a specific brand or scroll through Bitcoin Well's available choices of brands to purchase a gift card with cryptocurrency. Once the customer has selected the desired gift card, they choose the denomination they would like to receive. An email address is entered and the type of cryptocurrency they intend to pay with is selected. Once paid and confirmed, customers receive the gift card to the email address that was provided.

OPERATIONS

Cryptocurrency Inventory

The various services provided by Bitcoin Well offer a means of acquiring bitcoin and other cryptocurrencies from one consumer and selling bitcoin and other cryptocurrencies to other consumers. Through the various services offered by Bitcoin Well, customers have multiple options for selling their bitcoin and other cryptocurrencies. Bitcoin and other cryptocurrencies acquired by Bitcoin Well in these transactions are considered inventory that can be sold back to customers. Bitcoin Well keeps sufficient bitcoin and other cryptocurrencies in inventory to ensure that it is able to meet demand but to also capitalize on movement in the value of cryptocurrencies. As bitcoin represents the majority of Bitcoin Well's sales, the vast majority of inventory held is bitcoin.

Bitcoin Well purchases and sells inventory that it buys and sells to/from customers from a third party exchange (the "**Exchange Provider**").

Through its network of cryptocurrency owners, Bitcoin Well is currently a party to 6 Use of Coin Agreements with Adam O'Brien, BTR and 4 arm's length parties, pursuant to which Bitcoin Well was loaned bitcoin and ether from such parties to cover any inventory shortage, minimize business disruption, and enable it to complete requested transactions. Under the Use of Coin Agreements, Bitcoin Well pays interest at fixed rates ranging from 6.0% to 10.0% per annum, calculated based on the value of the underlying cryptocurrency at the time the loans were originated or at a variable rate equal to bank prime plus 9% per annum, and payable in Canadian dollars. Use of the cryptocurrency reserved under the Use of Coin Agreements is on an if-and-when-needed basis.

As of December 31, 2024, the Company's cryptocurrency loans consisted of 165 bitcoins with a fair value of \$22,187,897. Of this balance, 75 bitcoins valued at \$10,085,183 were initially due to mature on March 20, 2025, but automatically renew for successive annual terms unless the holder provides a notice to forego the renewal at least 90 days prior to the initial maturity date. As no such notice was received, the maturity date of these loans has been extended to March 20, 2026. The remaining 90 bitcoins, valued at \$12,102,714, are redeemable upon 12 months' written notice from the applicable holders. The cryptocurrency subject to the use of cryptocurrency agreements is valued in bitcoin, and not in Canadian

dollars or any other fiat currency, meaning the number of coins being used by Bitcoin Well under these agreements will be returned regardless of the associated fiat value at the time of return.

Revenue Generation

Bitcoin Well's revenues are generally recurring in nature and historically have been mainly derived from convenience fees and commissions, which are paid by users, as well as other transaction-based fees depending on the type of transaction. Bitcoin Well may earn other revenues from other services at their ATMs, such as gift card fees, on-screen advertising and other transaction-based fees across the various service offerings. See "*Principal Products and Services*" above for additional information on transaction numbers and volumes.

The primary factor affecting transaction volumes at a given ATM is its location and longevity. Therefore Bitcoin Well attempts to deploy its ATMs in locations that provide high visibility and consumer traffic. Bitcoin Well has relationships with certain hosts, including real estate developers and coffee shops to be an exclusive bitcoin ATM provider.

The price of bitcoin and other cryptocurrencies is expected to remain volatile, due to, among other things, continued speculation, conflicting media coverage, and potential regulatory actions. See "Risk Factors". Since the beginning of 2024, Bitcoin's price has experienced significant fluctuations, reflecting both periods of strong upward momentum and sharp corrections. While the price reached record highs in late 2024, recent declines highlight the persistent uncertainty and likelihood of continued volatility in the cryptocurrency market. Investors in Bitcoin Well have the opportunity to gain lower-risk exposure to bitcoin and other cryptocurrency due to the stability derived from the transactional side of the Business. Bitcoin Well takes advantage of the inherent volatility of bitcoin and other cryptocurrencies, as such volatility leads to increased speculative buying and selling, thus increasing the number of transactions taking place over Bitcoin Well's platforms or ATMs. The number of transactions increases whether the price of bitcoin and other cryptocurrencies is rising or falling.

Geographical Information

Bitcoin Well currently operates ATMs in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia, as well as online across Canada.

The following table provides a breakdown of the number of ATMs per province:

Province	Number of ATMs	Percentage of ATM Fleet
British Columbia	23	13.94%
Alberta	60	36.36%
Saskatchewan	12	7.27%
Manitoba	6	3.64%
Ontario	53	32.12%
Quebec	8	4.85%
New Brunswick	1	0.61%
Nova Scotia	2	1.21%
Total	165	100%

Technology and Software

Bitcoin Well requires a variety of technology and software platforms in order to operate. The main technology platforms consist of ATMs, central transaction processing systems, network infrastructure components, ATM management infrastructure, cash management software and tools, and telecommunication circuits that allow for real-time ATM monitoring, software distributions, custom financial reporting models, blockchain transactional analysis, compliance software and transaction processing services.

Product Development and Software

Bitcoin Well started developing proprietary Software that can be integrated into ATMs to provide for the various cryptocurrency transactions. Bitcoin Well quickly determined that Software development and upkeep of Software were outside of the scope of a transactional business and would require a dedicated team and a large amount of capital investment. As such, on January 1, 2020 Bitcoin Well spun out its Software development arm to Ghostlab for the development of the Software and other platforms that can be used in the cryptocurrency space. In exchange for the spin out, Bitcoin Well received a license to use the Software and all resulting intellectual property and development pursuant to the Ghostlab License Agreement (as defined herein). Later, in September 2021, the Company purchased the issued and outstanding shares of Ghostlab Inc. See “*Business of the Company – Intellectual Property*”.

Bitcoin Well uses proprietary blockchain transactional analysis systems to maintain a database of transactions and performance metrics for its ATMs. This data is aggregated into individual ATM and customer profiles that are used by its customer service team. Bitcoin Well believes its proprietary databases enable it to provide superior quality and reliable customer support, together with information on trends that is also valuable to our retail and financial institution partners.

Intangible Property

Bitcoin Well has invested significant resources towards developing a recognizable and unique brand consistent with other industries.

The Company has applied for trademarks for the following trademarks in Canada and for each is awaiting examination: “Rise Wallet” standard character mark, “Bitcoin Well & Design” design mark, “Bitcoin Well Logo” design mark and WellWallet standard character mark. The Company has also applied for trademarks in the United Kingdom and in Mexico for “Bitcoin Well & Design” design mark and “Bitcoin Well Logo” design mark and is awaiting examination.

Bitcoin Well has registered and operates under the trade name “Bitcoin Well” with the Alberta corporate registry.

In addition to its trademarks, Bitcoin Well owns 23 website domains related to the term “bitcoin” including bitcoinsolutions.ca, bitcoinalberta.ca and bitcoinwell.com, along with social media accounts across all major platforms and various phone and web application platforms.

Bitcoin Well currently holds the following common law trademark applications in Canada:

(a) Application number 2049813: BITCOIN WELL

(b) Application number 2049813:



(c) Application number 2049814:

Bitcoin Well's outside legal counsel monitor any potential intellectual property infringement. Additionally, Bitcoin Well maintains strict standards and operating procedures regarding intellectual property, including the use of nondisclosure and confidentiality agreements, and intellectual property license and assignment agreements.

Bitcoin Well is analyzing its unregistered intellectual property to determine whether there are opportunities for protection. Bitcoin Well will periodically review its options with respect to the protection of its intellectual property.

Primary Vendor Relationships

Bitcoin Inventory

Bitcoin Well acquires its bitcoin and other cryptocurrency (as required) inventory from a Canadian exchange and independent third parties including the Exchange Provider. In addition, Bitcoin Well uses Bitcoin held by third parties under the Use of Coin Agreements. See "*Business of the Company – Operations – Cryptocurrency Inventory*".

Equipment

Bitcoin Well purchases its ATMs from global ATM manufacturers or distributors, including, but not limited to Genmega, Lamassu Industries AG, General Bytes USA Inc. and Bitaccess Inc. Bitcoin Well has close working relationships with these manufacturers in the course of its Business which enables the manufacturers to stay informed about new technologies and product updates related to.

Hosts

Bitcoin Well has been a leader in the Canadian bitcoin ATM space for more than ten years. Bitcoin Well provides state-of-the-art machines, manages each transaction, and ensures its machines are up-to-date, functional and presentable. Hosts are paid a monthly commission or flat fee as a direct benefit to them, while Bitcoin Well employs a comprehensive marketing plan to send customers to each location. Bitcoin Well attempts to deploy its ATMs in locations that provide high visibility and consumer traffic. Bitcoin Well has exclusivity agreements with several major Canadian real estate developers, retail chains, convenience stores and coffee shops and works with these hosts to ensure a mutually beneficial relationship. Bitcoin Well has also secured ATM space in several popular coffee shops and convenience stores across Canada.

Cash Management

Bitcoin Well contracts with armored courier services to transport and transfer most of the cash to and from their ATMs. Bitcoin Well uses leading third-party armored couriers in all jurisdictions. Under these arrangements, the armored couriers pick up and deliver cash to and from ATMs at Bitcoin Well's request.

Seasonality

Bitcoin Well has not experienced any seasonal trend to its business.

Competition

Bitcoin Well operates in a rapidly evolving industry, and accordingly, expects competition to intensify in the future as existing competitors introduce new products or enhance existing products, and as new competitors emerge. There is potential that Bitcoin Well will face intense competition from other companies, operating both in Canada and the United States, some of which have more financial resources than Bitcoin Well. Direct competitors to Bitcoin Well include Bitcoin Depot, Honey Badger, Local Coin, Bull Bitcoin, and Shakepay. Because of the early stage of the industry in which Bitcoin Well operates, Bitcoin Well also expects to face additional competition from new entrants. If the number of competitors increases, the margins currently experienced by Bitcoin Well will compress as customers will have more options for buying and selling their bitcoin. Bitcoin Well expects that competition will become more intense, as current and future competitors begin to offer an increasing number of services and pricing strategies. To remain competitive, Bitcoin Well will look to acquire smaller operators and will require a continued high level of investment in its branding, services and technologies, research and development, marketing, sales and client support. Bitcoin Well may not have sufficient resources to execute on its marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition, and results of operations of Bitcoin Well. See “*Risk Factors – Competition*”.

In Canada, multiple companies offer cryptocurrency ATM services. The top providers have anywhere from 100 to 1,015 cryptocurrency ATMs nationwide.¹ Bitcoin Well currently operates 165 ATMs across Canada.

Other market participants in the cryptocurrency industry include investors and speculators and retail users transacting in cryptocurrencies.

Bitcoin Well has remained competitive by developing proprietary Software for their ATMs, which operationally set them apart from their competitors, offering a superior customer experience, as well as partnering and contracting with top-tier hosts to place Bitcoin ATMs in the best possible locations, with exclusivity terms. Further, Bitcoin Well has developed the Online Bitcoin portal to allow for users to buy, sell and use bitcoin from the convenience of their house, similar to an online banking platform. The regulatory environment in which the Company operates is always changing and presents new challenges. The Company has established themselves as a leader in regulatory understanding and compliance, and through our strategic partnerships with industry leading compliance and regulatory experts, we understand the regulatory landscape and the expected changes to the playing field. This proactive approach allows Bitcoin Well to plan ahead and adapt our service offerings accordingly. Having invested time and resources in understanding this risk has allowed the Company to operate at a significant advantage over any of the competition in the Bitcoin ATM industry.

Government and Industry Regulation

Below is a description of the regulations, requirements or regimes that are, or are expected to be, applicable to our business by jurisdiction.

The worldwide regulation of investing and financial businesses is extremely complex; digital assets make up a relatively new and rapidly evolving space. Bitcoin Well is expected to be guided in significant part by regulatory regimes that are not clear or are not yet developed. We intend to use our internal legal and compliance expertise, in consultation with our outside counsel, to determine how to engage in our

¹ CoinATMRadar, “*Top Bitcoin ATM Operators in Canada*”, CoinATMRadar (2025), online: CoinATMRadar <https://coinatmr.com/charts/top-operators/canada/> [accessed 21 February 2025].

business activities so as to obtain the appropriate licenses or to be able to rely on an exception or exemption from any relevant registration requirement. We will continue to monitor the laws and guidance issued in these jurisdictions that may be applicable to our business.

Canada

As a company listed on the TSXV, Bitcoin Well is subject to Canadian securities law obligations promulgated by the Canadian Securities Administrators (“CSA”), including the Alberta Securities Commission.

In March 2019, the CSA and Investment Industry Regulatory Organization of Canada (now CIRO) jointly published Consultation Paper 21-402 Proposed Framework for Crypto-Asset Trading Platforms (“CP 21-402”), in which they proposed regulation of platforms that facilitate the buying, selling or transferring of digital assets. The proposal contemplates platforms becoming registered as investment dealers and becoming both dealer and marketplace members of CIRO. The proposal addresses the risks and features of the platforms through a series of requirements to be further developed through consultation with the financial technology community, market participants, investors and other stakeholders. The framework is intended to apply both to platforms that operate in Canada and to those that have Canadian participants.

In January 2020, the CSA published CSA Staff Notice 21-327 Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets, in which they provided guidance on certain factors to determine whether securities legislation applies to any entity that facilitates transactions relating to digital assets, including buying and selling digital assets as discussed in CP 21-402. The guidance provides examples of when securities legislation may or may not apply to certain platforms that facilitate the buying, selling or transferring of digital assets. The guidance is intended to apply both to platforms that operate in Canada and to those that have Canadian participants.

Effective June 1, 2020, Bitcoin Well, like all companies exchanging digital currencies for funds, became subject to the Financial Transactions and Report Analysis Centre of Canada (“FINTRAC”)’s amended regulations pertaining to money service businesses (“MSB”). Notwithstanding the effective date of June 1, 2020 for licensing requirements, Bitcoin Well has voluntarily been fully compliant with the FINTRAC requirements for approximately six months prior to the implementation of the applicable licensing requirements. Under the FINTRAC regulations, an MSB includes any business in Canada dealing in digital currency, including services for digital currency exchange and digital currency transfer services. In addition to the requirement to register as an MSB with FINTRAC, persons dealing in digital currency must fulfill certain obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (“PCMLTFA”), including the implementation of a compliance program and adhere to “know your client” rules. MSBs also have the obligation to verify the identity of their clients when they:

- (a) issue or redeem negotiable instruments of \$3,000 or more;
- (b) remit or transmit fiat funds of \$1,000 or more;
- (c) conduct a foreign currency exchange of \$3,000 or more;
- (d) conduct a large cash transaction; or
- (e) create a client information record.

MSBs must also adhere to more stringent reporting and record keeping standards.

In March 2021, the CSA published CSA Staff Notice 51-363 *Observations on Disclosure by Crypto Assets Reporting Issuers*, in which they provided an outline of several disclosure observations and guidance based on the first annual filings by reporting issuers (other than investment funds) that engage materially with crypto assets via mining and/or the holding/trading of those assets. Bitcoin Well intends to comply with any such applicable guidance.

In March 2021, the CSA published CSA Staff Notice 21-329 *Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements*, in which they provided guidance on the regulation of crypto asset trading platforms (“CTPs”) that facilitate or propose to facilitate the trading of crypto assets that are: securities, contracts, or any other instruments that involve crypto asset trading. The guidance addresses existing requirements currently operating in Canadian jurisdictions and how these apply to the various business models used by CTPs. Specifically, the guidance distinguishes between marketplace platforms and dealer platforms. The guidance highlights the applicable Canadian securities legislation that apply to CTPs that serve Canadian clients, even if the CTPs are operated and managed outside of Canada. Since Bitcoin Well is non-custodial, these new regulations do not currently apply to Bitcoin Well.

In September 23, 2021, the CSA and Investment Industry Regulatory Organization of Canada (now CIRO) published Staff Notice 21-330 *Guidance for Crypto-Trading Platforms: Requirements relating to Advertising, Marketing and Social Media Use*, in which they provided guidance on the following:

- Statements in advertising and marketing materials that could be considered false or misleading.
- Concerns over the use of gambling-style contests, promotions or schemes, such as the offering of bonuses or rewards based on the level of trading, that may encourage excessive trading by retail investors.
- Compliance and supervisory challenges when using social media to promote CTPs.
- Complying with securities legislation generally.

In February 2023, the CSA published CSA Staff Notice 21-332 *Crypto Asset Trading Platforms: Pre-Registration Undertakings – Changes to Enhance Canadian Investor Protection*, in which they introduced new investor protection provisions in the standard form pre-registration undertakings in light of recent insolvencies involving a number of crypto asset trading platforms.

In October 2023, the CSA published CSA Staff Notice 21-333 *Crypto Asset Trading Platforms: Terms and Conditions for Trading Value-Referenced Crypto Assets with Clients*, in which they provided regulatory guidance for crypto asset trading platforms on the CSA’s interim approach regarding value-referenced-crypto assets, such as stablecoins and wrapped tokens.

In December 2024, the OSC, a member of CSA, published OSC Staff Notice 33-757 – *Review of Restricted Dealer Crypto Asset Trading Platforms’ Compliance with the Account Appropriateness, Investment Limits and Client Limits Requirements*, in which they summarize their findings from the review and provide guidance to help crypto asset trading platforms in meeting the regulatory obligations, including ensuring that clients—except those in Alberta, British Columbia, Manitoba, and Quebec—do not exceed prescribed investment limits for certain crypto assets within a 12-month period and conducting tailored account appropriateness assessments based on specific client factors.

The CSA and CIRO are actively consulting on potential developments in the regulations applicable to the cryptocurrency and digital assets industry, but there is no certainty as to when such regulations will

be announced or implemented and how such laws and regulations might affect the Company and the Business.

The Retail Payment Activities Act (“**RPAA**”) establishes the legal framework to supervise payment service providers. It was approved by the Parliament of Canada on June 29, 2021, and is being implemented in stages. Key milestones include the publication of the final Retail Payment Activities Regulations on November 22, 2023, and the opening of the registration process for payment service providers on November 1, 2024. Payment service providers were required to submit their registration applications by November 15, 2024. The transition period extends until September 7, 2025, with operational risk and safeguarding of funds frameworks becoming effective on September 8, 2025. The RPAA includes single merchant exclusion, which applies to instruments issued directly by a merchant that can only be used to purchase goods or services from that merchant. Bitcoin Well offers cash vouchers, which customers can purchase at Bitcoin Well ATMs. These cash vouchers can be redeemed exclusively on the Bitcoin Well Online Portal to purchase Bitcoin. The Company believes that Bitcoin Well’s cash vouchers qualify for the single merchant exclusion under the RPAA. However, it’s important to note that regulatory interpretations can vary, and there is no absolute guarantee that this exemption applies. The Company continues to monitor regulatory guidance to ensure compliance. See “*Risk Factors – Business and Operations Risks – Retail Payment Activities Act risk*”.

United States

In the United States, the Securities and Exchange Commission (“**SEC**”) has issued a statement indicating that, if a platform offers trading of digital securities and operates a marketplace, it must be registered with the SEC as a national securities exchange, registered with the Financial Industry Regulatory Authority as a broker-dealer operating an alternative trading system, or be exempt from registration. The Commodity Futures Trading Commission (the “**CFTC**”) has indicated that bitcoin and certain other crypto assets are encompassed in the definition of “commodity”. In the context of retail commodity transactions in crypto assets, the CFTC has consulted with market participants on its approach to the proposed interpretation of the term “actual delivery”.

Our business is subject to multiple complex regulatory regimes in the United States. For a discussion of certain United States regulatory risks, see “*Risk Factors—Cryptocurrency Risks—A determination that a digital asset is a “security” for purposes of the United States federal securities laws could adversely affect the value of that digital asset and potentially digital assets generally, and could therefore adversely impact our business, financial condition and results of operations as well as the market price of the Ordinary Shares*” and “*Risk Factors – Cryptocurrency Risks – Bitcoin Well relies on third parties for their services and licenses in the United States*”.

Securities Regulation Generally

A key question that we face in virtually all of our business lines is whether the digital assets we transact in are “securities” under the federal securities laws. As a general matter, if a particular digital asset is a security, any transaction in that digital asset that falls under United States jurisdiction would be subject to the SEC’s anti-fraud and anti-manipulation authority. In addition, offers and sales of that digital asset would require registration under the Securities Act or, alternatively, establishing an exemption from registration. While transactions in digital asset securities in the United States or with U.S. clients and counterparties would generally be subject to regulation under the federal securities laws, similar transactions that take place outside the United States with non-United States clients and counterparties generally would not implicate the federal securities laws. As a result, the manner in which we are able to engage in transactions in a particular digital asset depends on the digital asset itself and the characteristics

of the specific transaction, and requires us to maintain procedures for conducting careful facts-and-circumstances analyses.

For transactions in digital assets (other than those carried out on digital asset trading platforms in which we act on a proprietary basis as an investor), our procedures sort individual digital assets into two categories:

- No Restrictions—digital assets that we may transact in the United States or with United States clients and counterparties. These are digital assets for which we have identified what we believe to be reasonable grounds for concluding the digital assets are not securities under the federal securities laws.
- Non-United States—digital assets that we may transact only outside the United States with non-United States clients and counterparties. These are digital assets that do not meet the criteria for inclusion in the “No Restrictions” category.

Bitcoin Well takes into account a number of factors, including the various definitions of “security” under the federal securities laws and federal court decisions interpreting elements of these definitions, such as the U.S. Supreme Court’s decisions in the *Howey* and *Reves* cases,² as well as reports, orders, press releases, public statements and speeches by the SEC and its staff providing guidance on when a digital asset may be a security for purposes of the federal securities laws. Bitcoin Well continues to monitor the U.S. (and global) regulatory environment, and we expect our process to continuously evolve to take into account case law, facts and developments in technology, as regulatory guidance evolves. Bitcoin Well recognizes that the application of securities laws to the specific facts and circumstances of digital asset transactions is complex and subject to change, and therefore legal and regulatory risk will be an inherent feature of Bitcoin Well’s business model until greater legal and regulatory certainty becomes possible. Because Bitcoin Well’s process may be considered “risk based” in the sense that it is not capable of entirely eliminating risks associated with a particular digital asset being found to be a security, and because of the fact that our determinations (and similar determinations by other industry participants) are not binding upon the SEC, any federal court or any state securities regulator, Bitcoin Well acknowledges that a particular digital asset that they transact in may in the future be found by the SEC, a federal court or a state securities regulator to be a security notwithstanding Bitcoin Well’s prior determination. Bitcoin Well also acknowledges that the SEC, a federal court or a state securities regulator may determine that a digital asset is a security based on factors that are difficult to predict and/or are outside of their control, potentially including the actions of a third party promotor. In that case, Bitcoin Well’s prior determination, even if reasonable under the circumstances, would not preclude legal or regulatory enforcement action, or lawsuits brought by our clients and counterparties, based on the presence of a security.

The potential consequences of having engaged in a digital asset transaction in the United States or with U.S. clients and counterparties in which Bitcoin Well did not, but in retrospect should have, treated the digital asset in question as a security would depend on the facts of the specific transaction. For example, if Bitcoin Well engaged in a principal transaction in an unregistered digital asset security, depending on the facts it is possible that we could have acted as an unregistered broker or dealer, or perhaps as an “underwriter” with respect to that digital asset security, incurring fines and other penalties for the failure to register as a broker-dealer with the SEC and for having engaged in an illegal unregistered securities transaction. A client or counterparty who purchased a digital asset from Bitcoin Well in an illegal unregistered securities transaction could also, depending on the facts, have the right to rescind that transaction and to sue Bitcoin Well for damages. Similarly, if Bitcoin Well advised a client in connection with the purchase or sale of a digital asset security, depending on the facts Bitcoin Well could incur fines

² See *SEC v WJ Howey Co*, 328 US 293 (1946) and *Reves v Ernst & Young*, 494 US 56 (1990).

and other penalties for the failure to register as an investment adviser, and Bitcoin Well's client could also have a damages claim against us. The amount of fines, penalties and damages that Bitcoin Well could incur as a result of having improperly transacted in digital asset securities could be significant enough to have a material adverse effect on our business, financial condition and results of operations.

Regulation of Money Transmission

Under the Bank Secrecy Act, the Financial Crimes Enforcement Network (“**FinCEN**”) regulates MSBs. FinCEN requires any administrator or exchanger of convertible virtual currencies to register with FinCEN as a money transmitter and comply with the Anti-Money Laundering Rules and counter-terrorist financing laws and regulations applicable to money transmitters.

U.S. states have adopted a spectrum of approaches to the regulation of digital assets, ranging from a state applying its own money transmission licensing regime, which 49 of the states have done in some form, to adopting a separate regulatory regime for the oversight of digital assets, such as New York's BitLicense discussed below.

CFTC Regulation

The CFTC regulates markets in listed futures and various types of over-the-counter derivatives on commodities, when traded in, into or from the United States. The CFTC has taken the position that certain digital assets are commodities for purposes of the regulatory scheme of the Commodity Exchange Act. Generally speaking, trading in a principal capacity in commodities in the “spot” or “cash” markets would not subject a person to a licensing or regulation requirement under the Commodity Exchange Act. The CFTC has jurisdiction over these spot commodity trading activities with respect to its anti-fraud and anti-manipulation authority under the Commodity Exchange Act. The Commodity Exchange Act imposes registration and regulatory requirements, including disclosure, reporting, and other requirements, on market participants engaged in commodity derivatives intermediary activities. This includes, for example, providing investment advice or fund management services to clients regarding commodity derivatives or engaging in principal or agency trading activities in commodity derivatives. Under the Commodity Exchange Act, commodity derivatives may include swaps, futures, and retail commodity transactions.

Anti-Money Laundering Rules

Money services businesses must register with FinCEN and are subject to the Anti-Money Laundering Rules and are required to, among other things, develop, implement, and maintain a risk-based anti-money laundering program, provide an anti-money laundering-related training program, report suspicious activities and transactions to FinCEN, comply with certain reporting and recordkeeping requirements, and collect and maintain information about our customers. In addition, the Bank Secrecy Act requires money service businesses to comply with certain customer due diligence requirements as part of their anti-money laundering obligations, including developing risk-based policies, procedures, and internal controls reasonably designed to verify a customer's identity. Many states and other countries impose similar, and, in some cases, more stringent requirements related to anti-money laundering and counter-terrorist financing. Our partners have implemented a compliance program designed to prevent their platform from being used to facilitate money laundering, terrorist financing, and other illicit activity in countries, or with persons or entities, included on designated lists promulgated by the Office of Foreign Assets Control (the “**OFAC**”) and equivalent foreign authorities. Anti-money laundering regulations are constantly evolving and vary from jurisdiction to jurisdiction. We continuously monitor our compliance with anti-money laundering and counter-terrorist financing regulations and industry standards and implement policies, procedures, and controls in light of the most current legal requirements.

Virtual Currency Business Activity in New York

The New York State Department of Financial Services (“NYDFS”) requires that any persons or entity engaging in virtual currency activity for third parties in or involving New York, excluding merchants and consumers, must apply for a license, commonly referred to as a BitLicense, from the NYDFS and must comply with anti-money laundering, cybersecurity, consumer protection, and financial and reporting requirements, among others. Subject to certain exemptions, virtual currency business activity includes virtual currency transmission, storing, holding, maintaining custody, buying or selling as a customer business or controlling, administering or issuing virtual currency.

Consumer Protection

A number of U.S. federal, state, and local regulatory agencies, the Federal Trade Commission and the Consumer Financial Protection Bureau chief among them, regulate financial products and have broad consumer protection mandates and discretion in enforcing consumer protection laws, including matters related to unfair, deceptive, or abusive acts and practices. They also promulgate, interpret, and enforce rules and regulations that could affect Bitcoin Well’s business.

Economic Sanctions

Bitcoin Well must comply with economic and trade sanctions administered by the United States and other foreign governments in jurisdictions in which we operate. These sanctions can prohibit or restrict transactions to or from certain countries, regions, governments, and specified individuals. For instance, the OFAC includes cryptocurrency addresses to the list of Specially Designated Nationals whose assets are blocked and with whom U.S. person are generally prohibited.

Privacy and User Data

There are a number of laws, rules, directives, and regulations relating to the collection, use, retention, security, processing, and transfer of personally identifiable information about customers and employees. Because of that, much of the data Bitcoin Well processes, including certain financial information associated with individuals, is regulated by various privacy and data protection laws. These laws can apply, not only to third-party transactions, but also to information transferred between Bitcoin Well, its subsidiaries, and other commercial parties.

Tax

Current IRS guidance indicates that for U.S. federal income tax purposes digital assets such as Bitcoin should be treated and taxed as property, and that transactions involving the payment of Bitcoin for goods and services should be treated in effect as barter transactions. The IRS has also released guidance to the effect that, under certain circumstances, hard forks of digital currencies are taxable events giving rise to taxable income and guidance with respect to the determination of the tax basis of digital currency. However, current IRS guidance does not address other significant aspects of the U.S. federal income tax treatment of digital assets and related transactions. Moreover, although current IRS guidance addresses the treatment of certain forks, there continues to be uncertainty with respect to the timing and amount of income inclusions for various crypto asset transactions, including, but not limited to, staking rewards and other crypto asset incentives and rewards products. While current IRS guidance creates a potential tax reporting requirement for any circumstance where the ownership of Bitcoin passes from one person to another, it preserves the right to apply capital gains treatment to those transactions, which is generally favorable for investors in Bitcoin.

Investment Company Act

Under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), a company may fall within the definition of an investment company under section 3(c)(1)(A) thereof if it is or holds itself out as being engaged primarily, or proposes to engage primarily in the business of investing, reinvesting or trading in securities, or under section 3(a)(1)(C) thereof if it is engaged or proposes to engage in business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire “investment securities” (as defined therein) having a value exceeding 40% of its total assets (exclusive of government securities and cash items) on an unconsolidated basis. There is no authoritative law, rule or binding guidance published by the SEC regarding the status of digital assets as “securities” or “investment securities” under the Investment Company Act. Although Bitcoin Well believes that we are not engaged in the business of investing, reinvesting, or trading in investment securities, and we do not hold ourselves out as being primarily engaged, or proposing to engage primarily, in the business of investing, reinvesting or trading in securities, to the extent the digital assets which we own and acquire may be deemed “securities” or “investment securities” by the SEC or a court of competent jurisdiction, Bitcoin Well may meet the definition of an investment company. If Bitcoin Well falls within the definition of an investment company under the Investment Company Act, we would be required to register with the SEC. If an investment company fails to register, it likely would have to stop doing almost all business, and its contracts would become voidable. Generally non-U.S. issuers may not register as an investment company without an SEC order. The classification of a digital asset as a security under applicable law has wide-ranging implications for the regulatory obligations that flow from the sale and trading of such assets. For example, a digital asset that is a security in the United States may generally only be offered or sold in the United States pursuant to a registration statement filed with the SEC or in an offering that qualifies for an exemption from registration.

Bitcoin Well relies on its service providers in the United States in respect of compliance with United States laws and regulations.

Employees

Bitcoin Well Inc. together with its subsidiaries, has 10 full time employees as of the date hereof, including its Chief Executive Officer.

Specialized Skill and Knowledge

The bitcoin ATM industry is approximately eleven years old and Bitcoin Well has been in business a majority of that time. Although no specialized skills are required to execute on Bitcoin Well’s business plan, the experience that comes with Bitcoin Well’s management team and board of directors is significant. Bitcoin Well is the longest standing, founder-run bitcoin ATM operator in Canada.

Market and Trends

Cryptocurrencies are highly volatile. Bitcoin Well’s business, financial condition and results of operations may be affected (positively or negatively) based on the price of bitcoin. Further, blockchain technology and the cryptocurrency industry are relatively new and evolving and there remain many uncertainties.

Major drivers for market growth are the transparency of distributed ledger technology, high remittances in developing countries, high cost of cross-border remittance, fluctuations in monetary regulations, adoption as a treasury asset by corporations and growth in venture capital investments.

Although the current regulatory market in Canada remains challenging, the Canadian cryptocurrency market is expected to continue to grow.

Based on type, cryptocurrencies are categorized into bitcoin and altcoins. Bitcoin is projected to hold the largest market share during the forecast period. Growing demand for trading, easy remittance, and ease of cross-border transactions are among the major factors driving the adoption of cryptocurrency. The high growth in the market for cryptocurrencies is fueled by hopes that bitcoin may become “digital gold” and that blockchain-powered tokens reshape industries.

The market for payment is expected to grow at the highest rate from 2019 to 2025. Cryptocurrency payments have several advantages, such as enhanced transactional security, protection from fraud, decentralized system, low fees, protection from consumer chargebacks, and quick international transfers. These factors aid in increasing the adoption rate of cryptocurrency.

However, the market and regulatory framework within which Bitcoin Well is seeking to operate continues to evolve and remains subject to change and there are no assurances that such market and framework will develop in a manner consistent with Bitcoin Well’s current expectations or at all.

Market price volatility is not tied to a specific geographical location. However, the rate at which bitcoin is adopted could be impacted by jurisdiction. Political views and financial market acceptance of cryptocurrency and other digital assets vary by geographical location and, thus, merchants and other business customers willingness to accept bitcoin as a form of payment will also vary.

Bitcoin does not become obsolete. Rather, it is exchange based on an agreed upon value by both parties. There may be improvements in ATM hardware which Bitcoin Well will implement at such time. Bitcoin Well’s other services are web-based or heavily dependent on Software which undergo regular updates.

Sales and Marketing

Bitcoin Well utilizes consistent branding and messaging of its platforms and services using the “Bitcoin Well” name. Bitcoin Well will implement branding guidelines and actively monitors the use of the Bitcoin Well name across all forms of media to ensure the highest brand integrity. Formal guidelines will be implemented with respect to Bitcoin Well’s primary logo, secondary marks, the feelings icons, the activities icons, logo usage, typography, color palette, packaging and photo styling.

Bitcoin Well only partners with other companies that have a proven and trusted track record to protect the brand. Bitcoin Well has a dedicated marketing team and brand managers that engage customers through social media and other promotions. Bitcoin Well consults outside counsel on a case-by-case basis when advertising and marketing its platforms and services.

Bitcoin Well’s management team has extensive knowledge about the cryptocurrency industry, its customers and its markets. Management strategically bases service offering decisions on innovation, margin, potential, market trends, and quality. Bitcoin Well leverages its brand expertise and marketing team to communicate the corporate brand and source new markets.

Bitcoin Well’s Strategy

Bitcoin Well aims to create and grow an ecosystem of products and services that give the convenience of modern banking with the benefits of bitcoin.

Bitcoin Well intends to continue to consolidate a fragmented market by enhancing liquidity. Key to success in bitcoin ATM ownership will be the ability of Bitcoin Well to execute on its strategy to leverage the expertise, scale and network Bitcoin Well has built and to continue to expand in its current markets and in new markets. Based on its growth since inception, Bitcoin Well believes that the growth opportunities for its Business are numerous. The consumer financial services industry is continuously expanding to provide consumers and retailers with more options. Bitcoin Well believes that the ability to use bitcoin and cryptocurrencies in such transactions will be a driving force in this expansion. Cryptocurrency transactions are not generally supported by the traditional banking industries and Bitcoin Well believes that this void presents a perfect opportunity for Bitcoin Well to fill. Bitcoin Well will rely on its network of owned and operated ATMs, comprehensive cryptocurrency transaction solutions, extensive expertise and operating history to provide value to the consumer financial services industry as a whole and grow its revenues and profits. Bitcoin Well is the longest-standing, founder-run bitcoin ATM company in Canada. Further to purchasing and deploying Bitcoin ATMs, Bitcoin Well will continue to invest in research and development to build external (licensed SaaS) Software as well as internal technology needed to create efficiencies of operations, or a better customer experience. The core business of Bitcoin Well is to buy and sell Bitcoin in a non-custodial fashion through Bitcoin ATMs, in person services and online transactions.

The primary factors affecting Bitcoin Well's success will be the: (a) sourcing and acquiring of profitable ATMs; (b) cost effectively integrating acquired ATMs into Bitcoin Well's network; and (c) taking industry knowledge to apply proprietary marketing and industry leading operational processes and efficiencies.

The Company intends to offer bank-style services within the Online Portal alongside a suite of self custody bitcoin focused products and services. Bitcoin Well's ecosystem of ATMs and Online Portal interacting with each other is going to form a large part of the differentiation from other brands.

RISK FACTORS

You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form and all other information contained in this Annual Information Form. The risks and uncertainties described below are those the Company currently believes to be material, but they are not the only ones that the Company faces. If any of the following risks, or any other risks and uncertainties that have not yet been identified or that the Company currently considers not to be material, actually occur or become material risks, the business, prospects, financial condition, results of operations and cash flows and consequently the price of Common Shares could be materially and adversely affected.

Business and Operations Risks

International conflict

The Middle East and certain European countries have experienced significant political events that have cast uncertainty on global financial and economic markets.

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity, energy, and financial markets. Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices and global economies more broadly. The extent and duration of the current Russian-Ukrainian conflict and related international action cannot be accurately predicted at this time and the effects

of such conflict may magnify the impact of the other risks identified in this Annual Information Form, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts may materialize and may have an adverse effect on our business, results of operation and financial condition.

The ceasefire between Israel and Hamas-controlled Gaza territory, along with the ongoing tensions and the sanctions imposed by many countries, continue to pose risks across the global economy, including fluctuations in commodity prices, foreign exchange rates, supply chain disruptions and potential slowdowns in a variety of industries.

Additional requirements for capital

Substantial additional financing may be required if Bitcoin Well is to be successful in pursuing its business objectives disclosed herein. No assurances can be given that Bitcoin Well will be able to raise the additional capital that it may require for its anticipated future operations. Revenues, taxes, costs, capital expenditures, operating expenses, regulatory approvals, the overall and the political environment are all factors which will have an impact on the amount of additional capital that may be required. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to Bitcoin Well, if at all. If Bitcoin Well is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, incur financial penalties, or reduce or terminate its operations.

Use of funds

Bitcoin Well has prepared a detailed budget setting out the way in which it proposes to expend its available funds. However, the quantum and timing of expenditure will necessarily be dependent upon Bitcoin Well's ultimate strategy of acquiring additional ATMs in order to scale up its business. It is possible that circumstances may dictate a departure from the pre-existing budget. Further, Bitcoin Well may, from time to time as opportunities arise, utilize part of its financial resources to participate in additional opportunities that arise and fit within Bitcoin Well's broader objectives, as a means of advancing shareholder value.

Competition

Bitcoin Well will compete with other users and/or companies that are providing cryptocurrency ATM services and other potential financial vehicles, possibly including securities backed by or linked to cryptocurrencies through entities similar to Bitcoin Well. Many other companies exist that offer cryptocurrency ATM services. Other market participants in the cryptocurrency industry include investors and speculators, retail users transacting in cryptocurrencies, and service companies that provide a variety of services including buying, selling, payment processing and storing of cryptocurrencies. Potential investors have a multitude of other ways to acquire or invest in cryptocurrencies.

Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of Bitcoin Well. If Bitcoin Well is unable to achieve its business objectives, such failure could materially and adversely affect the business, financial condition and results of operations of Bitcoin Well. Existing or future competition in the bitcoin industry could materially adversely affect Bitcoin Well's prospects for growth.

We have addressed this risk by developing proprietary Software for our ATMs, which operationally set them apart from our competitors, offering a superior customer experience, as well as partnering and

contracting with top-tier hosts to place Bitcoin ATMs in the best possible locations, with exclusivity terms. Further, we have developed the Online Bitcoin portal to allow for users to buy, sell and use bitcoin from the convenience of their house, similar to an online banking platform. The regulatory environment in which we operate is always changing and presents new challenges. We have established ourselves as a leader in regulatory understanding and compliance, and through our strategic partnerships with industry leading compliance and regulatory experts, we understand the regulatory landscape and the expected changes to the playing field. This proactive approach allows us to plan ahead and adapt our service offerings accordingly. Having invested time and resources in understanding this risk has allowed us to operate at a significant advantage over any of the competition in the Bitcoin ATM industry.

Approvals, licenses and permits

Bitcoin Well is registered as a MSB. However, this is a new area and new regulations could create challenges for acquiring approvals, licences or permits. There can be no assurance that any existing licence or permit will be renewable if and when required or that such existing licences and permits will not be revoked.

Bitcoin Well may be required to obtain or renew further government permits and licences for its operations. Obtaining, amending or renewing the necessary governmental permits and licences can be a time-consuming process, potentially involving numerous regulatory agencies, and involving public hearings and costly undertakings on Bitcoin Well's part. The duration and success of Bitcoin Well's efforts to obtain, amend and renew permits and licences are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authority. Bitcoin Well may not be able to obtain, amend or renew permits or licences that are necessary to its operations. Any unexpected delays or costs associated with the permitting and licensing process could impede the ongoing or proposed operations of Bitcoin Well. To the extent necessary permits or licences are not obtained, amended or renewed, or are subsequently suspended or revoked, Bitcoin Well may be curtailed or prohibited from proceeding with its ongoing operations or planned development and commercialization activities. Such curtailment or prohibition may result in a Material Adverse Effect on Bitcoin Well's business, financial condition, results of operations or prospects.

Global financial conditions

Global financial conditions over the last few years have been characterized by volatility and the bankruptcy of several financial institutions or the rescue thereof by governmental authorities. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to it. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such levels of volatility and market turmoil continue, the operations of the Company may suffer adverse impact and the price of the Common Shares may be adversely affected.

Reliance on customers

Bitcoin Well's business relies on customers using cryptocurrency ATMs, the Online Portal and our bill payment solutions. There can be no assurance that customers will adopt this method of using, acquiring or investing in cryptocurrency or that a strong customer base will be established. A significant reduction or total loss of the business from these customers, if not offset by additional sales to new or existing customers, could have a Material Adverse Effect on Bitcoin Well's business, financial condition, results of operations and cash flows.

Contracts

Bitcoin Well needs to establish contracts with existing businesses to place cryptocurrency ATMs on their premises. If businesses are unwilling to enter into these contracts or do not want a cryptocurrency ATM on their premises, then Bitcoin Well could struggle to grow its market presence. It cannot be assured that Bitcoin Well will be able to gain contracts on favorable terms to Bitcoin Well or at all.

Clients, contracts & market saturation

Bitcoin Well may be unable to maintain and expand its customer base and may not be able to establish contracts on favourable or even acceptable terms and conditions. The cryptocurrency ATM market may reach saturation and organic growth may be limited to market size. As well, Bitcoin Well's profitability may be affected by a number of factors including the expiry or termination of existing agreements.

Corruption and bribery risk

Bitcoin Well's operations will be governed by, and will involve interactions with, many levels of government in numerous countries. Like most companies, Bitcoin Well will be required to comply with anti-corruption and anti-bribery laws, including the Canadian *Corruption of Foreign Public Officials Act*, as well as similar laws in any other countries in which Bitcoin Well conducts its business. In recent years, there has been a general increase in both the frequency of enforcement and severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its third party agents. Although Bitcoin Well will take steps to mitigate such risks, such measures are not always effective in ensuring that Bitcoin Well, its employees or third party agents will comply strictly with such laws. If Bitcoin Well finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on Bitcoin Well resulting in a Material Adverse Effect on Bitcoin Well's reputation and results of its operations.

Compliance with laws

Bitcoin Well's operations will be subject to various laws, regulations and guidelines. Bitcoin Well will endeavor to comply with all relevant laws, regulations and guidelines. However, there is a risk that Bitcoin Well's interpretation of laws, regulations and guidelines, including, but not limited to applicable stock exchange rules and regulations, may differ from those of others, and Bitcoin Well's operations may not be in compliance with such laws, regulations and guidelines. In addition, achievement of Bitcoin Well's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by Governmental Authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals required by Bitcoin Well may significantly delay or impact the development of Bitcoin Well's business and operations and could have a Material Adverse Effect on the business, results of operations and financial condition of Bitcoin Well. Any potential non-compliance could cause the business, financial condition and results of the operations of Bitcoin Well to be adversely affected. Further, any amendment to or replacement of applicable rules and regulations governing the activities of Bitcoin Well may cause adverse effects to Bitcoin Well's operations. The risks to the business of Bitcoin Well associated with regulatory changes could reduce the potential customers of Bitcoin Well and could materially and adversely affect the business, financial condition and results of operations of Bitcoin Well.

Bitcoin Well will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include

corrective measures requiring capital expenditures or remedial actions. Parties may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws or regulations, may have a material adverse impact on Bitcoin Well, resulting in increased capital expenditures which could have a Material Adverse Effect on the business, results of operations and financial condition of Bitcoin Well.

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules could result in an increase in Bitcoin Well's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in Bitcoin Well's profits being subject to additional taxation or which could otherwise have a Material Adverse Effect on Bitcoin Well.

Due to the nature of Bitcoin Well's operations, various legal and tax matters may be outstanding from time to time. If Bitcoin Well is unable to resolve any of these matters favourably, there may be a Material Adverse Effect on Bitcoin Well. There are also risks to the business of Bitcoin Well represented by court rulings or legislative changes.

Potential Regulatory Requirements and Restrictions

On March 3, 2025, staff at the OSC notified the Company that they consider certain of its products and services, including but not limited to crypto asset trading via cash vouchers, to potentially be subject to Ontario securities laws. The Company has agreed to work with the OSC to assess its regulatory obligations and determine whether it must register or otherwise bring its operations into compliance with Ontario securities laws. If the OSC determines that registration or other regulatory action is required, OSC staff may impose a deadline by which the Company must obtain registration, cease offering certain products or services in Ontario or to Ontario residents, including cash vouchers, or modify its business operations to comply with Ontario securities laws. Failure to do so could have adverse consequences for the Company's business, financial condition, and operations, including restrictions on offering products or services in Ontario, serving Ontario residents, or using proceeds from public financings to support related activities in Ontario. It is possible that staff of the securities regulatory authorities in other jurisdictions of Canada will take a similar approach to the OSC.

Risks inherent in strategic alliances

Bitcoin Well may enter into strategic alliances with third parties that it believes will complement or augment its existing business. Bitcoin Well's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance Bitcoin Well's business, and may involve risks that could adversely affect Bitcoin Well, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve the expected benefits to Bitcoin Well's business or that Bitcoin Well will be able to consummate future strategic alliances on satisfactory terms, or at all.

Uninsured or uninsurable risks

Bitcoin Well intends to insure their accordance with technology industry practice. However, given the novelty of the proposed business, such insurance may not be available, uneconomical, or the nature or

level may be insufficient to provide adequate insurance coverage. The Company may become subject to liability for hazards against which they cannot insure or against which they may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which we do not carry insurance may have a Material Adverse Effect on our financial position.

Dependence on key management personnel

The success of Bitcoin Well is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management as well as certain consultants (the “**Key Personnel**”). Bitcoin Well’s future success depends on its continuing ability to attract, develop, motivate, and retain the Key Personnel. Qualified individuals for Key Personnel positions are in high demand, and Bitcoin Well may incur significant costs to attract and retain them. The loss of the services of Key Personnel, or an inability to attract other suitably qualified persons when needed, could have a Material Adverse Effect on Bitcoin Well’s ability to execute on its business plan and strategy, and Bitcoin Well may be unable to find adequate replacements on a timely basis, or at all. This may impact the efficiency of its operations could be impaired, which could have an adverse impact on the Company’s future cash flows, earnings, results of operations and financial condition. While employment and consulting agreements are customarily used as a primary method of retaining the services of Key Personnel, these agreements cannot assure the continued services of such individuals and consultants.

Conflicts of interest

Bitcoin Well may be subject to various potential conflicts of interest because of the fact that some of its officers, directors and consultants may be engaged in a range of business activities. Bitcoin Well’s executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to Bitcoin Well. In some cases, Bitcoin Well’s executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to Bitcoin Well’s business and affairs and that could adversely affect Bitcoin Well’s operations. These business interests could require significant time and attention of Bitcoin Well’s executive officers, directors and consultants.

In addition, Bitcoin Well may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or corporations with which Bitcoin Well may be dealing with, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of Bitcoin Well. In addition, from time to time, these persons may be competing with Bitcoin Well for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of Bitcoin Well’s directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of Bitcoin Well are required to act honestly, in good faith and in the best interests of Bitcoin Well.

Fraudulent or illegal activity by employees, contractors and consultants

Bitcoin Well may be exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to Bitcoin Well that violates: (a) government regulations; (b) federal and provincial fraud and abuse laws and regulations; or (c) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for Bitcoin Well to identify and deter such misconduct by its employees and other third parties,

and the precautions taken by Bitcoin Well to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting Bitcoin Well from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against Bitcoin Well, and it is not successful in defending itself or asserting its rights, such actions could have a significant impact on Bitcoin Well's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of Bitcoin Well's operations, any of which could have a Material Adverse Effect on Bitcoin Well's business, financial condition, results of operations or prospects.

Internal controls

Effective internal controls are necessary for Bitcoin Well to provide reliable financial reports and to help prevent fraud. Although Bitcoin Well will undertake a number of procedures and will implement a number of safeguards in order to help ensure the reliability of its financial reports, including those imposed on Bitcoin Well under applicable law, in each case Bitcoin Well cannot be certain that such measures will ensure that Bitcoin Well maintains adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Bitcoin Well's results of operations or cause it to fail to meet its reporting obligations. If Bitcoin Well or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in Bitcoin Well's consolidated financial statements and could result in a Material Adverse Effect.

General economic risks

Bitcoin Well's operations could be affected by the economic context should interest rates, inflation or the unemployment level reach levels that influence consumer trends and spending and, consequently, impact Bitcoin Well's sales and profitability.

Liquidity and additional financing

There is no guarantee that Bitcoin Well will be able to achieve its business objectives. The continued development of Bitcoin Well may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or Bitcoin Well going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Bitcoin Well. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, Bitcoin Well 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 Bitcoin Well'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 Bitcoin Well to obtain additional capital and to pursue business opportunities, including potential acquisitions. Bitcoin Well may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict Bitcoin Well's ability to pursue its business objectives.

Widespread pandemic and risks related thereto

Pandemics, epidemics or outbreaks, including the recent global COVID-19, remain risks for the Company, and the impact of a pandemic is highly uncertain and subject to change. The COVID-19 pandemic caused volatility in the global financial markets and disrupted the global economy and normal

commercial activities. The impact of the COVID-19 pandemic, as well as other epidemics and pandemics that may arise in the future, could negatively affect the worldwide economy, as well as the economies of individual countries, individual companies and the market in general in significant and unforeseen ways. Any sudden or rapid destabilization of global economic conditions could negatively impact the ability of the Company to obtain equity or debt financing or make other suitable arrangements to finance its business. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a Material Adverse Effect on Bitcoin Well and the price of Bitcoin Well's securities could be adversely affected.

Management of growth

Bitcoin Well may be subject to growth-related risks. The ability of Bitcoin Well to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Bitcoin Well to deal with this growth may have a Material Adverse Effect on Bitcoin Well's business, financial condition, results of operations and growth prospects.

Anti-money laundering laws and regulation risks

Bitcoin Well is subject to a variety of laws and regulations domestically and internationally that involve money laundering, financial recordkeeping and proceeds of crime, including the *PCMLTFA* as amended and the rules and regulations thereunder, the *Criminal Code* (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by Governmental Authorities internationally.

In the event that any of Bitcoin Well's proceeds, any dividends or distributions therefrom, or any profits or revenues accruing from operations were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of Bitcoin Well to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

Credit and liquidity risk

Bitcoin Well will be exposed to counterparty risks and liquidity risks including, but not limited to: (a) through suppliers of Bitcoin Well which may experience financial, operational or other difficulties, including insolvency, which could limit or suspend those suppliers' ability to perform their obligations under agreements with Bitcoin Well; (b) through financial institutions that may hold Bitcoin Well's cash and cash equivalents; (c) through companies that will have payables to Bitcoin Well; and (d) through Bitcoin Well's insurance providers; (e) through Bitcoin Well's lenders, if any; Bitcoin Well will also be exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of Bitcoin Well to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to Bitcoin Well. If these risks materialize, Bitcoin Well's operations could be adversely impacted, and the price of the Common Shares could be adversely affected.

Litigation

Bitcoin Well may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If Bitcoin Well is unable to resolve these disputes favourably, it may have a Material Adverse Effect on Bitcoin Well. Even if Bitcoin Well is involved in litigation and

wins, litigation can redirect significant resources. Litigation may also create a negative perception of Bitcoin Well. Securities litigation could result in substantial costs and damages and divert Bitcoin Well's management's attention and resources. Any decision resulting from any such litigation that is adverse to Bitcoin Well could have a negative impact on Bitcoin Well's financial position.

Cybersecurity risks

The information systems of Bitcoin Well and any third-party service providers and vendors are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The operations of Bitcoin Well depend, in part, on how well networks, equipment, information technology ("IT") systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if Bitcoin Well is unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity incident could materially increase. Any of these and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the reputation and results of operations of Bitcoin Well.

Limited operating history

Bitcoin Well has a limited operating history upon which its business and future prospects may be evaluated. As a result, Bitcoin Well will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for Bitcoin Well to meet future operating and debt service requirements, Bitcoin Well will need to be successful in its growing, marketing and sales efforts. If Bitcoin Well's products and services are not accepted by new customers, Bitcoin Well's operating results may be materially and adversely affected.

Additional financing

Future capital expenditures may be financed out of funds generated from future equity sales and borrowings. Bitcoin Well's ability to do so is dependent on, among other factors, the performance of Bitcoin Well and its investments, the overall state of capital markets and investor appetite for investments in the financial technology industry and the Common Shares in particular. From time to time, Bitcoin Well may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed partially or wholly with debt, which may temporarily increase Bitcoin Well's debt levels above industry standards. Failure to obtain any financing necessary for Bitcoin Well's capital expenditure plans may result in a delay in the development and pursuit of Bitcoin Well's business. There can be no assurance that Bitcoin Well will be successful in its efforts to arrange additional financing in amounts sufficient to meet its goals or requirements, or on terms that are acceptable to it. If additional financing is raised by the issuance of Common Shares from treasury of, control of Bitcoin Well may change and shareholders may suffer additional dilution.

Changes in technology

The financial technology industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other companies may have greater financial, technical and personnel resources that allow them to benefit from technological advantages and may in the future allow them to implement new technologies before Bitcoin Well. There can be no assurance that Bitcoin Well will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by Bitcoin Well or implemented in the future may become obsolete. If Bitcoin Well is unable to utilize the most advanced commercially available technology, its business, financial condition, and results of operations could also be adversely affected in a material way

Reliance on key inputs

Certain of Bitcoin Well's businesses are dependent on a number of key inputs and their related costs including the costs to obtain additional ATMs. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the financial condition and operating results of these suppliers. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of these suppliers, in which circumstance there could be a materially adverse effect on the financial results of Bitcoin Well.

Dependence on suppliers and skilled labour

The ability of Bitcoin Well to compete and grow will be dependent upon having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that Bitcoin Well will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major capital expenditure programs may be significantly greater than anticipated or available, in which circumstance there could be a materially adverse effect on the financial results of Bitcoin Well.

Intellectual property

Bitcoin Well intends to aggressively assert its rights under trade secret, patents, trademark and copyright laws to protect any intellectual property that it creates, including product design, product research and concepts and recognized trademarks. These rights may be protected through the acquisition of patents and trademark registrations, the maintenance of trade secrets, the development of trade dress, and, where appropriate, litigation against those who are, in Bitcoin Well's opinion, infringing these rights.

Bitcoin Well may initiate claims or litigation against third parties for infringement of its proprietary rights or to establish the validity of its proprietary rights. In addition, while Bitcoin Well is not aware that its services or proprietary rights infringe the proprietary rights of third parties, Bitcoin Well may receive notices from third parties asserting that it has infringed their patents, trademarks, copyrights or other intellectual property rights. Any such claims could be time-consuming, result in costly litigation, cause service stoppages or lead Bitcoin Well to enter into royalty or licensing agreements rather than disputing the merits of such claims. An adverse outcome in litigation or similar proceedings could subject Bitcoin Well to significant liabilities to third parties, require expenditure of significant resources to develop non-infringing technology, require disputed rights to be licensed from others, or require Bitcoin Well to cease operating its business, any of which could have a Material Adverse Effect on Bitcoin Well's business, operating results and financial condition.

Cryptocurrency Risks

The value of bitcoin and other cryptocurrencies is extremely volatile

The digital currency market is still a new market and is extremely 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 Bitcoin Well's earnings and financial position. From December 2017 to April 2024 the price of one bitcoin increased by over 300%. During that time, bitcoin has seen swings of over 500% increases followed by 70% decreases. Fluctuations in the value of cryptocurrencies due to changing investor confidence in future appreciation (or depreciation) in their market prices could adversely affect the value of Bitcoin Well's bitcoin inventory and Bitcoin Well's inventory of any other cryptocurrency it may hold in the future and thereby affect its shareholders.

As a currency, bitcoin must serve as a means of exchange, store of value, and unit of account. Many customers using bitcoin as money-over-internet-protocol do so with it as an international means of exchange. Speculators and investors using bitcoin as a store of value layer on top of means of exchange users, creating further demand. If consumers stop using bitcoin as a means of exchange, or its adoption therein slows, then bitcoin's price may suffer, adversely affecting Bitcoin Well.

Bitcoin halving risk

Prior to May 2020, the global bitcoin network rewarded miners 12.5 bitcoin per block, which is approximately 1,800 bitcoin per day. On May 11, 2020, the bitcoin daily reward was halved to 6.25 bitcoin per block, or approximately 900 bitcoin per day. Based on the fundamentals of bitcoin mining and historical data on bitcoin prices and the network difficulty rate after a halving event, it is unlikely that the network difficulty rate and price would remain at the current level when the bitcoin rewards per block are halved. There has been speculation from experts that this halving will follow a similar trend to previous halvings where the price of bitcoin fell slightly before recovering and continuing a generally upward trend. This upward trend appears to happen before each halving as media attention, increased popularity, and speculation that increased scarcity will be good for bitcoin's value, creates a small increase in demand for coins and increased investment. Without other changes a halving does double the cost to mine bitcoin which may push some smaller mining companies out of the market but it is unlikely that this would have a profound effect on the rest of the market. On April 19, 2024, another halving occurred where the bitcoin daily reward was halved to 3.125 per block or approximately 450 bitcoin per day.

The value of cryptocurrencies may be subject to momentum pricing risk and volatility

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, they may be more likely to fluctuate in value due to changing investor confidence in future appreciation (or depreciation) in their market prices, which could adversely affect the value of Bitcoin Well's financial condition, bitcoin inventory and Bitcoin Well's inventory of any other cryptocurrency it may hold in the future and thereby affect Bitcoin Well's shareholders.

The profitability of the Company's operations will be significantly affected by changes in prices of cryptocurrency. Cryptocurrency prices are highly volatile, can fluctuate substantially in a short period of time and are affected by numerous factors beyond Bitcoin Well's control, including: the total number of bitcoins in existence; global demand for cryptocurrency; global supply of cryptocurrency; interest rates;

currency exchange rates; interruptions in service from or failures of major cryptocurrency exchanges; cyber theft of cryptocurrency from online cryptocurrency wallet providers, or news of such theft from such providers or from individuals' cryptocurrency wallets; investment and trading activities of large investors; monetary policies of governments, trade restrictions, currency devaluations and revaluations; regulatory measures, if any, that restrict the use of cryptocurrency as a form of payment or the purchase of cryptocurrency; the availability and popularity of businesses that provide cryptocurrency-related services; global or regional political, economic or financial events and situations; and fees associated with processing a cryptocurrency transaction. If cryptocurrency prices should decline and remain at low market levels for a sustained period while network difficulty does not decrease proportionally, Bitcoin Well could determine that it is not economically feasible to continue activities. Volatility may have a significant and negative impact on the value of the Company's inventory of cryptocurrency and financial condition.

In addition, investors should be aware that there is no assurance that Bitcoin will maintain their long-term value in terms of future purchasing power or that the acceptance of cryptocurrency payments by mainstream retail merchants and commercial businesses will continue to grow. If the price of cryptocurrency declines, the Company expects the value of an investment in the Common Shares to also decline.

Cryptocurrency exchanges and other trading venues are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure

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 currencies. For example, during the past four years, a number of BTC exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of the closed BTC exchanges were not compensated or made whole for the partial or complete losses of their account balances in such BTC exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that provide 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.

Banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency related services or that accept cryptocurrencies as payment

A number of companies that provide BTC 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 BTC and/or other cryptocurrency related companies or companies that accept cryptocurrencies for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide BTC and/or other cryptocurrency-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of cryptocurrencies as a payment system and harming 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 BTC and/or other cryptocurrency-related services. This could decrease the market prices of cryptocurrencies and adversely affect the value of Bitcoin Well's cryptocurrency inventory and financial condition.

Changes to prominence of Bitcoin and other digital assets

Demand for bitcoin is driven, in part, by its status as the most prominent and secure digital asset. It is possible that a digital asset other than bitcoin could have features that make it more desirable to a material portion of the digital asset user base, resulting in a reduction in demand for bitcoin, which could have a negative impact on the price of bitcoin.

The impact of geopolitical events on the supply and demand for cryptocurrencies is uncertain

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 Bitcoin Well's cryptocurrency inventory.

The possibility of large-scale purchases of cryptocurrencies in times of crisis may have a short-term positive impact on the price of BTC. For example, in March 2013, a report of uncertainty in the economy of the Republic of Cyprus and the imposition of capital controls by Cypriot banks motivated individuals in Cyprus and other countries with similar economic situations to purchase BTC. This resulted in a significant short-term positive impact on the price of BTC. However, as the purchasing activity of individuals in this situation waned, speculative investors engaged in significant sales of BTC, which significantly decreased the price of BTC. 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 Bitcoin Well's investments. See *"Risk Factors – Widespread Pandemic and Risks Related Thereto"*.

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 BTC either globally or locally. Large-scale sales of cryptocurrencies would result in a reduction in their market prices and adversely affect Bitcoin Well's operations and profitability. The further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is subject to a variety of factors that are difficult to evaluate.

Further development and acceptance of the cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies is uncertain

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may adversely affect Bitcoin Well's operations. The factors affecting the further development of the industry, include, but are not limited to:

- continued worldwide growth in the adoption and use of cryptocurrencies;
- governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;
- changes in consumer demographics and public tastes and preferences;
- the maintenance and development of the open-source software protocol of the network;

- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- general economic conditions and the regulatory environment relating to digital assets; and
- negative consumer sentiment and perception of BTC specifically and cryptocurrencies generally.

Acceptance and/or widespread use of cryptocurrency is uncertain

Currently, there is relatively small use of BTC and/or other cryptocurrencies in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect Bitcoin Well's operations, investment strategies, and profitability.

As relatively new products and technologies, BTC, the bitcoin network, and its other cryptocurrency counterparts have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, speculators and investors seeking to profit from the short-term or long-term holding of cryptocurrencies generate a significant portion of cryptocurrency demand.

The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end-users to use them to pay for goods and services. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in their market prices, of which could adversely affect Bitcoin Well's operations, investment strategies, and profitability.

As well, if there is a shift that results in a massive increase in the uptake of bitcoin it could have detrimental effects on the ability of the network to process transactions in a timely manner, which could lead to increased time for each transaction, and/or increased fees for the processing of each transaction. There is a finite speed with which bitcoin transactions can be processed as it is based on how quickly a block can be mined. This likely will not have great impact on bitcoin in the near future as the amount of transactions is relatively small but it does mean that innovation may be required as bitcoin becomes more and more popular.

Possibility of less frequent or cessation of monetization of cryptocurrencies

A decision by the Company to cease monetization of cryptocurrencies or to monetize cryptocurrencies less frequently could increase the risk of cryptocurrencies held decreasing in value and the risk of loss or theft of cryptocurrencies. This in turn, may increase the level of audit risk for the Company's auditors in the area of auditing the existence and ownership rights of crypto-asset holdings. If the Company's auditors deem the audit risk too high, there is risk that the current auditors would withdraw from the audit which, in turn, would increase the risk of the Company's ability to comply with the requirement for reporting annual audited financial statements part of its ongoing continuous disclosure requirements as a publicly listed company.

Limited history of de-centralized financial system

Compared with traditional and existing centralized financial systems, the cryptocurrency financial system is relatively new and has only limited history. Online cryptocurrency exchanges and trades therein operate with comparatively little regulation and are particularly liable to platform failures and fraudulent activities, which may have an effect on underlying prices of cryptocurrency. In fact, many of the largest

online cryptocurrency exchanges have been compromised by hackers. Traditional banks and banking services may limit or refuse the provision of banking services to businesses that supply cryptocurrency as payment and may refuse to accept money derived from cryptocurrency-related businesses. This may make management of bank accounts held by companies operating in the field difficult.

Regulatory changes or actions

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies with certain governments deeming them illegal, while others have allowed their use and trade. On-going and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of the Company to continue to operate.

The effect of any future regulatory change on the Company or any cryptocurrency is impossible to predict, but such change could be substantial and adverse to the Company. Governments may in the future curtail or outlaw, the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. Governments may in the future take regulatory actions that may increase the cost and/or subject cryptocurrency companies to additional regulation or prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for fiat currency. By extension, similar actions by other governments, may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the Common Shares. Such a restriction could result in the Company liquidating its Bitcoin or other cryptocurrency inventory at unfavorable prices and may adversely affect the shareholders.

Retail Payment Activities Act risk

The RPAA establishes the legal framework to supervise payment service providers. It was approved by the Parliament of Canada on June 29, 2021, and came into force in stages. Key milestones include the publication of the final Retail Payment Activities Regulations on November 22, 2023, and the opening of the registration process for payment service providers on November 1, 2024. Payment service providers were required to submit their registration applications by November 15, 2024. The transition period extends until September 7, 2025, with operational risk and safeguarding of funds frameworks becoming effective on September 8, 2025. The RPAA includes single merchant exclusion, which applies to instruments issued directly by a merchant that can only be used to purchase goods or services from that merchant. Bitcoin Well offers cash vouchers, which customers can purchase at Bitcoin Well ATMs. These cash vouchers can be redeemed exclusively on the Bitcoin Well Online Portal to purchase Bitcoin. The Company believes that Bitcoin Well's cash vouchers qualify for the single merchant exclusion under the RPAA. However, it's important to note that regulatory interpretations can vary, and there is no absolute guarantee that this exemption applies. The Company continues to monitor regulatory guidance to ensure compliance. It is unclear whether Bitcoin Well will be considered a payment service provider or exempt from registration. If Bitcoin Well is required to register and comply with the RPAA, Bitcoin Well may incur significant additional costs. Bitcoin Well may also be subject to regulatory action in connection with the RPAA. As such, the implementation of the RPAA may have a material adverse effect on Bitcoin Well's business, results from operations and Common Share price.

Issues with the underlying the bitcoin network

Although the bitcoin network is the most established cryptocurrency network, the bitcoin network and other cryptographic and algorithmic protocols governing the issuance of digital assets are rapidly evolving and subject to a variety of factors that are difficult to evaluate. In the past, flaws in the source code for digital assets have been exposed and exploited, including flaws that disable some functionality for users, exposed users' personal information and/or resulted in the theft of users' digital assets. The cryptography

underlying bitcoin could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. Moreover, functionality of the bitcoin network may be negatively affected such that it is no longer attractive to users, thereby dampening demand for bitcoin. Even if another cryptocurrencies other than bitcoin were affected by similar circumstances, any reduction in confidence in the source code or cryptography underlying digital assets generally could negatively affect the demand for digital assets and therefore adversely affect an investment in Bitcoin Well.

There may also be disputes between contributors on the best paths forward in building and maintaining bitcoin's software. Furthermore, miners supporting the bitcoin network and companies using it can disagree with the contributors, creating greater debate. Consequently, the bitcoin network often iterates slowly upon contentious protocol issues, which investors may perceive as either prudently conservative or inhibitive for innovation.

Bitcoin's blockchain may temporarily or permanently fork and/or split

The bitcoin software and protocol are open source. When a modification is released by the developers and a substantial majority of miners consent to the modification, the change is implemented and the bitcoin network continues uninterrupted. However, if a change were activated with less than a substantial majority consenting to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "hard fork" (i.e. a split) of the bitcoin network (and the blockchain). One blockchain would be maintained by the pre-modified software and the other by the post-modification software. The effect is that both blockchain algorithms would be running parallel to one another, but each would be building an independent blockchain with independent native assets (e.g., bitcoin 1 and bitcoin 2).

Although forks are likely to be addressed by a community-led effort to merge the two groups, such a fork could adversely affect bitcoin's viability. There is a precedent for this occurring, as witnessed with two bitcoin hard forks in 2017. Following long-term debate on how to scale the bitcoin network's transaction capacity, on August 1, 2017 the digital currency forked into BTC and Bitcoin Cash ("BCH"). On October 24, 2017, bitcoin further forked to create Bitcoin Gold ("BTG"). Bitcoin Classic, Bitcoin Cash, and Bitcoin Gold continue to exist today, and though their combined value exceeds the value of the network prior to the fork, future forking events could prove substantially more detrimental to the value of the bitcoin network.

Bitcoin Well already provides services for both bitcoin, sometimes referred to as Bitcoin Classic and Bitcoin Cash. If a fork of this nature were to happen again it is likely that Bitcoin Well would be able to provide services for those using the new bitcoin but these forks can have impacts on the value and volatility of the coin. As well, they can make it easier for a malicious actor to gain control of the network in an attack, the next section will discuss this further.

If a malicious actor or botnet obtains control of more than 50% of the processing power on a cryptocurrency network, such actor or botnet could manipulate the blockchain to adversely affect Bitcoin Well, which would adversely affect an investment in Bitcoin Well or the ability of Bitcoin Well to operate

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 a cryptocurrency, it may be able to alter the blockchain on which transactions of **cryptocurrency** resides and rely by constructing fraudulent blocks or preventing certain transactions from completing in a timely manner, or at all. The malicious actor or botnet could control, exclude or modify the ordering of transactions, though it could not generate new units or transactions using such control. The

malicious actor could “double-spend” its own cryptocurrency (i.e., spend the same bitcoins in more than one transaction) and prevent the confirmation of other users’ transactions for so long as it maintained control. To the extent that such malicious actor or botnet did not yield its control of the processing power on the network or the cryptocurrency community did not reject the fraudulent blocks as malicious, reversing any changes made to the blockchain may not be possible. The foregoing description is not the only means by which the entirety of the blockchain or cryptocurrencies may be compromised, but is only an example.

To date there have been several examples of malicious activity or control of the blockchain achieved through controlling over 50% of the processing power on the network. These 51% attacks as they are called have only happened with smaller coins where it is much easier for one miner to have control over the network. The larger and more popular the cryptocurrency the harder it is for one malicious actor to gain control of 51% of the network. Although bitcoin is a popular cryptocurrency, two mining pools worked together in May of 2019 to achieve 51% control of BCH, a hard fork of the main bitcoin, to stop a malicious actor from stealing coins. Although this 51% “attack” was used to stop a malicious actor it does show that even bitcoin can be vulnerable, if enough mining pools worked together to gain control of the network. To the extent that the bitcoin ecosystem and the administrators of mining pools do not act to ensure greater decentralization of bitcoin mining processing power, the feasibility of a malicious actor obtaining control of the processing power will increase. Such lack of controls and responses to such circumstances would have a Material Adverse Effect on the ability of Bitcoin Well to pursue opportunities in the cryptocurrency space, which could have an adverse effect on the business, prospects or operations of Bitcoin Well and potentially the value of any cryptocurrencies Bitcoin Well may acquire for its own account and harm investors.

Incorrect or fraudulent coin transactions may be irreversible

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred coins may be irretrievable. As a result, any incorrectly executed or fraudulent coin transactions could adversely affect Bitcoin Well’s investments.

Coin transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. In theory, cryptocurrency transactions may be reversible with the control or consent of a majority of processing power on the network. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of a coin or a theft of coin generally will not be reversible and Bitcoin Well may not be capable of seeking compensation for any such transfer or theft. Although Bitcoin Well’s transfers of coins will regularly be made by experienced members of the management team, it is possible that, through computer or human error, or through theft or criminal action, Bitcoin Well’s coins could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts.

Fraud, money laundering, and tax evasion have been some of the concerns raised in opposition to the widespread adoption of cryptocurrency ATMs. Due to the nature of cryptocurrencies, governments are afraid that ATMs could allow easier avenues to launder money or commit fraud, and some businesses have been wary of allowing a cryptocurrency ATM on their premises for these same reasons.

The price of coins may be affected by the sale of coins by other vehicles investing in coins or tracking cryptocurrency markets

To the extent that other vehicles investing in coins or tracking cryptocurrency markets form and come to represent a significant proportion of the demand for coins, large redemptions of the securities of those vehicles and the subsequent sale of coins by such vehicles could negatively affect cryptocurrency prices and therefore affect the value of the inventory held by Bitcoin Well.

Custody of cryptocurrency

Cryptocurrency are exposed to unique risks of loss or theft, relative to traditional assets. If the credentials (or private keys) to a digital wallet or asset are lost, stolen or destroyed, the cryptocurrency is not recoverable and would be lost by Bitcoin Well. Bitcoin Well does not maintain custody (or otherwise hold) the cryptocurrency owned by customers pursuant to various Use Agreements where in certain parties act as a third-party custodian for the Company's cryptocurrency and is solely responsible for holding and safeguarding the cryptocurrency. See "*Operations – Cryptocurrency Inventory*".

A determination that a digital asset is a "security", or that an activity in which we engage involves a "security" transaction for purposes of the federal United States securities laws could adversely affect the value of that digital asset and potentially digital assets generally, and could therefore adversely impact our business, financial condition and results of operations as well as the market price of the Common Shares.

Depending on its characteristics, a digital asset may be considered a "security" under the federal United States securities laws. The test for determining whether a particular digital asset is a "security" is complex and difficult to apply, and the outcome is difficult to predict. Public, though non-binding, statements by senior officials at the SEC have indicated that the SEC did not consider bitcoin or ether to be securities and does not currently consider bitcoin to be a security. The SEC staff has authored informal, non-binding letters to the promoters of a handful of digital assets to the effect that the staff would not recommend enforcement action to the SEC on the basis that transactions in such digital assets, as described to the staff by their respective promoters, are securities transactions. On the other hand, the SEC has brought enforcement actions against the promoters of several other digital assets on the basis that the digital assets in question are securities. Moreover, in September 2021 testimony before the Senate Banking Committee, the chair of the SEC stated that "only a small number" of digital assets are not securities. Beyond the public enforcement actions involving specific digital assets, the SEC has not yet publicly identified which specific digital assets it considers to be securities, although it is possible that the SEC could do so in the future in the context of enforcement actions or in public statements outside the enforcement context. And although there is limited guidance on the subject, the SEC has also found certain economic arrangements involving digital assets to be securities transactions.

Any enforcement action by the SEC or a state securities regulator, or a court decision or SEC announcement, asserting or finding that a particular digital asset is a security for purposes of the federal securities laws would be expected to have an immediate and material adverse impact on the trading value of that digital asset if it is then generally used or traded in the United States, and depending on the specific characteristics of the digital asset, could have adverse spillover effects on the trading values of other digital assets perceived to share similar characteristics that are also generally used or traded in the United States.

Bitcoin Well relies on third parties for their services and licenses in the United States

Bitcoin Well's operations could be interrupted if our third-party service providers experience operational or other systems difficulties, terminate their services or fail to comply regulations. Bitcoin Well outsources some of its operational activities in the United States and accordingly depends on relationships with its third-party service providers. Specifically, Bitcoin Well relies on third parties for certain services, including, but not limited to, services through the Online Portal and third-party licenses to meet certain regulatory requirements in the United States (see "*Operations – Government and Industry Regulation – United States*"). Bitcoin Well's business operations in the United States depends on the successful and uninterrupted functioning of our Online Portal system and third-party service providers. The failure of these systems, a cybersecurity breach involving any of our third-party service providers or a third-party's non-compliance with regulations and guidance in the United States could interrupt Bitcoin Well's operations.

Replacing third-party service providers or addressing other issues with our third-party service providers could result in significant delay, expense and disruption of Bitcoin Well's services in the United States. If an interruption were to continue for a significant period, our business, financial condition and results of operations could be adversely affected. Should we be required to replace third-party service providers, it may be at a higher cost to us, which could adversely affect our business, financial condition and results of operations, namely our ability to maintain our presence in the United States.

Company-Specific Risks

Bitcoin Well's cryptocurrency inventory may be exposed to cybersecurity threats and hacks

As with any other computer code, flaws in the cryptocurrency codes have been exposed by certain malicious actors. Several errors and defects have been found and corrected, including those that disabled some functionality for users and exposed users' information. Discovery of flaws in or exploitations of the source code that allow malicious actors to take or create money have been relatively rare. A relatively recent Ethereum hacking example occurred in late July of 2017. An unknown hacker exploited a critical flaw in the Parity multi-signature wallet on the Ethereum network and drained three large wallets that had a combined total of over \$31 million worth of Ethereum. If left undetected, the hacker could have been able to steal an additional \$150 million of Ethereum. Fortunately, the loss was limited to the \$31 million of Ethereum as white-hat hackers acted swiftly to protect the remaining accounts at risk.

Regulatory changes or actions may alter the nature of an investment in Bitcoin Well or restrict the use of cryptocurrencies in a manner that adversely affects Bitcoin Well's operations

As virtual currencies have grown in both popularity and market size, governments around the world have reacted differently to virtual currencies with certain governments deeming them illegal, while others have allowed their use and trade. On-going and future regulatory actions may alter, perhaps to a materially adverse extent, the ability of Bitcoin Well to continue to operate. The effect of any future regulatory change on Bitcoin Well or any cryptocurrency that Bitcoin Well may offer in its ATMs is impossible to predict, but such change could be substantial and have a Material Adverse Effect on Bitcoin Well. Governments may in the future curtail or outlaw the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. Governments may also take regulatory action that may increase the cost and/or subject cryptocurrency companies to additional regulation. For example, Canada's *PCMLTFA* was amended in 2014 to apply to digital currencies and in 2021 to require dealers of digital currency to register with FINTRAC as an MSB and subject them to the same rules as other MSBs under federal anti-money laundering legislation. *See Business of the Company – "Government and Industry Regulation"*. This will mean these businesses must develop a compliance program, adhere to "know your client" rules, and adhere to more stringent reporting and record keeping standards.

As well, on August 24, 2017, the CSA released a notice, which indicated that the CSA would, in some circumstances, consider the offer and sale of blockchain tokens pursuant to an initial coin offering subject to Canadian securities laws. Since then, the CSA has published several papers, notices and guidelines on securities law implications for offerings of tokens and operating cryptocurrency trading platforms. CIRO has also established a new working group for developing CIRO's regulatory approach to crypto asset trading platforms in consultation with the CSA. There remains significant uncertainty regarding the future regulatory approach to the cryptocurrency industry in Canada and the United States. Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for fiat currency. By extension, similar actions by governments may result in the restriction of the acquisition, ownership, holding, selling, use or trading in the Common Shares. Such restrictions could result in Bitcoin Well liquidating its bitcoin and

other cryptocurrency inventory at unfavorable prices and may adversely affect Bitcoin Well's shareholders. The impact of any new laws, regulations and guidelines on the business of Bitcoin Well, including increased costs of compliance and other potential risks cannot be predicted, and accordingly, Bitcoin Well may experience adverse effects.

Bitcoin Well will rely on third parties to provide bitcoin and other cryptocurrency inventory

Through its network of cryptocurrency owners, Bitcoin Well has entered into use of coin agreements with various third parties as well as Adam O'Brien, pursuant to which Bitcoin Well will hold bitcoin owned by a third party to cover any inventory shortage to minimize any disruption in its business and ensure that it can always complete a requested transaction. Under the use of coin agreements, Bitcoin Well pays a monthly rental fee based on a percentage of the value of the bitcoin as of the date of the agreement to secure access to the bitcoin. The terms of these agreements are 12 months and renewable thereafter. The bitcoin that is subject to a use of coin agreement must be returned to the owner at the end of the term of the agreement or upon 45 days of demand. The cryptocurrency subject to these agreements is valued in bitcoin and not in Canadian dollars or any other fiat currency, meaning the number of coins being used by Bitcoin Well under these agreements will be returned regardless of the associated fiat value at the time of return. Currently, all of the use of coin agreements are for bitcoin. There is the risk that Bitcoin Well will be unable to obtain enough inventory to meet demand or will be unable to return the cryptocurrency borrowed under these agreements, the result of which could have a Material Adverse Effect on Bitcoin Well's operations.

Bitcoin Well derives a substantial portion of its revenue from Bitcoin Well ATMs placed with a number of merchants

The expiration, termination or renegotiation of any of these contracts with merchants, or if one or more merchants were to cease doing business with Bitcoin Well, or substantially reduce its dealings with Bitcoin Well, could cause Bitcoin Well's revenues to decline significantly and Bitcoin Well's business, financial condition and results of operations could be adversely impacted.

Because a significant percentage of Bitcoin Well's future revenues and operating income depends upon the successful continuation of relationships with merchant customers, the loss of any merchants, a decision by any one of them to reduce the number of Bitcoin Well ATMs placed in their locations, or a decision to sell or close their locations could result in a decline in Bitcoin Well's revenues or otherwise adversely impact business operations. To the extent that the retailers decide to reduce their store footprint, such an event could materially impact Bitcoin Well's revenues and profits. Furthermore, if their financial conditions were to deteriorate in the future, and as a result, one or more of these merchants was required to close a significant number of their store locations, Bitcoin Well's revenues would be significantly impacted.

Bitcoin Well may be required to sell its coins to pay for expenses

Bitcoin Well may sell bitcoin or other cryptocurrency to pay for expenses incurred, irrespective of then-current coin prices. Consequently, Bitcoin Well's coins may be sold at a time when the price is low, resulting in a negative effect on Bitcoin Well's profitability.

Bitcoin Well's operations, investment strategies, and profitability may be adversely affected by competition from other methods of investing in cryptocurrencies

Bitcoin Well will compete with other companies that are offering cryptocurrency ATM services and other potential financial vehicles, possibly including securities backed by or linked to cryptocurrencies through entities similar to Bitcoin Well. Market and financial conditions, and other conditions beyond

Bitcoin Well'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 Bitcoin Well's shares and reduce their liquidity.

Bitcoin Well's coins may be subject to loss, theft or restriction on access

There is a risk that some or all of Bitcoin Well's coins could be lost or stolen. Access to Bitcoin Well's coins could also be restricted by cybercrime (such as a denial of service attack) against a service at which Bitcoin Well maintains a hosted online wallet. Any of these events may adversely affect the operations of Bitcoin Well and, consequently, its investments and profitability.

The loss or destruction of a private key required to access Bitcoin Well's digital wallets may be irreversible. Bitcoin Well's loss of access to its private keys or its experience of a data loss relating to Bitcoin Well's digital wallets could adversely affect its investments.

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, which wallet's public key or address is reflected in the network's public blockchain. Bitcoin Well will publish the public key relating to digital wallets in use when it verifies the receipt of cryptocurrency transfers and disseminates such information into the network, but it will need to safeguard the private keys relating to such digital wallets. To the extent such private keys are lost, destroyed or otherwise compromised, Bitcoin Well will be unable to access its coins and such private keys will not be capable of being restored by the network. Any loss of private keys relating to digital wallets used to store Bitcoin Well's ether could adversely affect its investments and profitability.

Risk related to technological obsolescence and difficulty in obtaining hardware

To remain competitive, Bitcoin Well will continue to invest in hardware, software and equipment required for maintaining Bitcoin Well's ATM services. Regulatory changes could introduce new standards or requirements for ATMs that would force Bitcoin Well to create new terminals, a costly investment.

Server failures

There is a risk of serious malfunctions in servers or central processing units and/or their collapse that are required to operate the Online Platform and the Company's ATMs. Malfunctions or damage in central servers or central processing units may have a Material Adverse Effect on the Company.

Bitcoin Well has a back-up process with respect to its cryptographic keys, particularly the private key, as well as passwords or passphrases needed to access a wallet; however, if the records are damaged, stolen or lost, the cryptographic keys may not be able to be recovered

Bitcoin Well has a back-up process with respect to its cryptographic keys, particularly the private key, as well as passwords or passphrases needed to access a wallet. The back-up process with respect to its cryptographic keys, particularly the private key, as well as passwords or passphrases needed to access a wallet, is to keep a paper record of relevant information, which is stored in a locked file cabinet at Bitcoin Well's office, which has security at doors and internal locks. However, if these records were damaged, stolen or lost, the cryptographic keys may not be able to be recovered, and Bitcoin Well may not be able to access the cryptocurrency linked to that key. Therefore, in effect, the cryptocurrency is lost. Also, if Bitcoin Well's private key is obtained by an outside party, it can be used to undertake unauthorized transactions which cannot be reversed. Bitcoin Well's wallet would show transactions not authorized by Bitcoin Well. The stolen cryptocurrency may never be recovered, which would have an adverse effect on the business, prospects or operations of Bitcoin Well.

Risks Related to Common Shares

Market volatility

The market price of a publicly traded stock, especially a junior financial technology issuer such as Bitcoin Well, is affected by many variables in addition to those directly related to successes or failures, some of which will be outside of Bitcoin Well's control. Such factors include the general condition of markets, the strength of the economy generally, the availability and attractiveness of alternative investments, analysts' recommendations and their estimates of financial performance, investor perception and reactions to disclosure made by Bitcoin Well and by Bitcoin Well's competitors, and the breadth of the public markets for the stock. Therefore, investors could suffer significant losses if Common Shares will be depressed or illiquid when an investor seeks liquidity.

Decline in price

A prolonged decline in the price of Common Shares could result in a reduction in the liquidity of Common Shares and a reduction in Bitcoin Well's ability to raise capital. A decline in the price of Common Shares could be detrimental to its liquidity and its operations. Such reductions may force Bitcoin Well to reallocate funds from other planned uses and may have a significant negative effect on its business plan and operations, including its ability to continue its current operations. If its share price declines, Bitcoin Well can offer no assurance that Bitcoin Well will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If Bitcoin Well is unable to raise sufficient capital in the future, Bitcoin Well may not be able to have the resources to continue its normal operations. The market price for Common Shares may also be affected by its ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a Material Adverse Effect on the market price of Common Shares. Factors such as variations in the Company's financial results, announcements by the Company, developments affecting the business and customers, general interest rate levels, the market price of the Common Shares and general market volatility could cause the market price of the Common Shares to fluctuate significantly. In addition, future sales or the availability for sale of substantial amounts of Common Shares in the public market could adversely affect the prevailing market price of the Common Shares and could impair the Company's ability to raise capital through future sales of its securities.

Tax Issues

There may be income tax consequences in relation to Common Shares, which will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisors.

Dilution

Issuances of additional securities including, but not limited to, Common Shares or some form of convertible debentures, may result in a substantial dilution of the equity interests of any of Bitcoin Well's shareholders.

Dividend Policy

The declaration, timing, amount and payment of dividends are at the discretion of Bitcoin Well's board of directors and will depend upon Bitcoin Well's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that Bitcoin Well will declare a dividend on a quarterly, annual or other basis.

DIVIDENDS AND DISTRIBUTIONS

The Company has not paid dividends to its shareholders to date and does not anticipate paying cash dividends on the Common Shares in the foreseeable future. The Company's current policy is to retain cash flows to finance the development and advancement of its platforms and to otherwise invest in the Company's business. The future payment of dividends will be dependent upon the financial requirements of the Company to fund further growth, the financial condition of the Company and other factors, which the Board of Directors may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future if at all.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

As of the date of this Annual Information Form, the authorized capital of the Company consists of an unlimited number of Common Shares, of which 220,161,726 Common Shares are issued and outstanding as fully paid and non-assessable. The holders of Common Shares are entitled:

- (a) to receive notice of and to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
- (b) to receive any dividend declared by Bitcoin Well on the Common Shares; provided that Bitcoin Well shall be entitled to declare dividends on the Preferred Shares, or on any of such classes of shares without being obliged to declare any dividends on the Common Shares of Bitcoin Well; and
- (c) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Bitcoin well, to receive the remaining property of Bitcoin Well upon dissolution in equal rank with the holders of all other Common Shares of Bitcoin Well.

There are no pre-emptive rights, conversion or exchange rights attaching to the Common Shares, nor are there any sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or any other material restrictions, nor are there any provisions requiring a shareholder to contribute additional capital. There are no redemption, retraction, purchase for cancellation provisions attaching to the Common Shares.

All Common Shares are fully paid and non-assessable.

Preferred Shares

The Company is authorized to issue an unlimited number of non-voting preferred shares (the "**Bitcoin Well Preferred Shares**") without nominal or par value. The Preferred Shares have the following rights, privileges, restrictions and conditions:

- (a) the Bitcoin Well Preferred Shares may from time to time be issued in one or more series, and the Board of Directors may fix from time to time before such issue the number of Bitcoin Well Preferred Shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Bitcoin Well Preferred Shares including, without limiting the generality of the foregoing, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and

conditions of redemption, purchase and conversion, if any, and any sinking fund or other provisions;

- (b) the Bitcoin Well Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of Bitcoin Well, whether voluntary or involuntary, or any other return of capital or distribution of the assets of Bitcoin Well amongst its shareholders for the purpose of winding up its affairs, be entitled to preference over the Common Shares and over any other shares of Bitcoin Well ranking by their terms junior to the Bitcoin Well Preferred Shares of that series. The Bitcoin Well Preferred Shares of any series may also be given such other preferences, not inconsistent with Bitcoin Well's articles of incorporation, over the Common Shares and any other such Bitcoin Well Preferred Shares as may be fixed in accordance with clause (a) above; and
- (c) if any cumulative dividends or amounts payable on the return of capital in respect of a series of Bitcoin Well Preferred Shares are not paid in full, all series of Bitcoin Well Preferred Shares shall participate ratably in respect of accumulated dividends and return of capital.

As of the date of this Annual Information Form, there are no Bitcoin Well Preferred Shares issued and outstanding as fully paid and non-assessable.

Options

On May 13, 2024, the Board of Directors adopted an omnibus equity incentive plan (the “**Omnibus Plan**”). The Omnibus Plan was subsequently approved by the shareholders of the Company by an ordinary resolution in the annual general and special meeting of shareholders on June 24, 2024. The Omnibus Plan provides flexibility to the Company to grant equity-based compensation awards in the form of Options, restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**”). The Omnibus Plan allows the grant to directors, officers, employees and consultants of the Company (collectively “**Participants**”) of Options, RSUs and PSUs settled in common shares (or, at the election of the Company, their cash equivalent), and for Participants who are non-employee members of the Board of Directors and its designated affiliates, the grant of DSUs

The Omnibus Plan is a “10% rolling and 10% fixed” plan, such that the maximum number of common shares available for issuance under the Omnibus Plan and any other security-based compensation arrangement of the Corporation:

- (a) pursuant to Options, shall not exceed 10% of the issued and outstanding Common Shares from time to time, and
- (b) pursuant to RSUs, PSUs and DSUs, in aggregate, shall not exceed 21,457,327, which represents 10% of the Common Shares issued and outstanding as of the date the Board of Directors adopted the Omnibus Plan.

As at the date of this Annual Information Form, Bitcoin Well has Options outstanding exercisable to acquire 14,750,776 Common Shares at prices ranging from \$0.05 to \$0.34 per Common Share with expiry dates ranging from July 23, 2025 to September 18, 2027.

Warrants

The Company may issue Warrants from time to time entitling the holder thereof to purchase Common Shares. As of the date of this Annual Information Form, Bitcoin Well has Warrants outstanding exercisable to acquire 45,319,625 Common Shares at prices ranging from \$0.05 to \$0.30 per Common Share with expiry dates ranging from September 1, 2026 to December 30, 2029.

Compensation Options

As at the date of this Annual Information Form, Bitcoin Well has compensation options (the “**Compensation Options**”) outstanding exercisable to acquire 1,213,385 units of the Company (each, a “**Compensation Option Unit**”) at prices ranging from \$0.175 to \$0.23 per Compensation Option Unit with expiry dates ranging from March 22, 2027 to December 30, 2029. Each Compensation Option Unit is comprised of one Common Share and one common share purchase warrant of the Company (each, a “**Compensation Option Unit Warrant**”), with each Compensation Option Unit Warrant exercisable to acquire one Common Share at prices ranging from \$0.275 to \$0.30 with expiry dates ranging from March 22, 2027 to December 30, 2029.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares were halted by the TSXV under the symbol “XBT.P” on June 1, 2020 prior to the completion of the Qualifying Transaction. The Common Shares resumed trading on the TSXV under the new symbol “BTCW” on July 30, 2021 following completion of the Qualifying Transaction.

The Common Shares currently trade on the TSXV under the symbol “BTCW” and on the OTCQB under the symbol “BCNWF”.

The following table sets out the high and low trading prices, as well as the trading volume, for the Common shares on the TSXV for each month of the fiscal year ended December 31, 2024:

	High (\$)	Low (\$)	Volume
January, 2024	\$0.09	\$0.045	8,824,689
February, 2024	\$0.22	\$0.05	11,755,727
March, 2024	\$0.25	\$0.115	21,162,676
April, 2024	\$0.18	\$0.095	6,386,633
May, 2024	\$0.14	\$0.085	4,239,721
June, 2024	\$0.13	\$0.09	2,224,916
July, 2024	\$0.125	\$0.085	2,598,488
August, 2024	\$0.11	\$0.08	1,771,452
September, 2024	\$0.1	\$0.075	2,491,916
October, 2024	\$0.17	\$0.075	7,605,604
November, 2024	\$0.215	\$0.125	23,816,662
December, 2024	\$0.21	\$0.15	10,293,380

PRIOR SALES

During the financial year ended December 31, 2024, other than the issuance of securities of a class which are listed or quoted on a marketplace, the Company issued the following securities:

Date of Issuance	Number and Type of Securities Issued	Conversion or Exercise Price, as applicable
February 28, 2024	9,650,000 Options ⁽¹⁾	\$0.14
March 22, 2024	6,890,684 Warrants ⁽²⁾	\$0.275
March 22, 2024	894,603 Compensation Options ⁽³⁾	\$0.175
April 15, 2024	500,000 Options ⁽⁴⁾	\$0.12
December 30, 2024	2,000 convertible debenture ⁽⁵⁾	\$0.23
December 30, 2024	8,980,956 Warrants ⁽⁶⁾	\$0.30
December 30, 2024	334,782 Compensation Options ⁽⁷⁾	\$0.23

Notes:

- (1) These Options were granted to directors, officers, employees and consultants, and expire on December 31, 2025.
- (2) Included in the units of the Company issued in the Brokered LIFE Financing. Each Warrant is exercisable to acquire one Common Share until March 22, 2027. See “*Development of the Business – Year-ended December 31, 2024 – Brokered LIFE Financing*”.
- (3) These Compensation Options were granted to Haywood and the selling group in connection with the Brokered LIFE Financing. Each such Compensation Option is exercisable to acquire one 2024 LIFE Unit until March 22, 2027. See “*Development of the Business – Year-ended December 31, 2024 – Brokered LIFE Financing*”.
- (4) These Options were granted to a consultant of the Company and expire on April 15, 2026.
- (5) On December 30, 2024, the Company issued 2,000 8% \$1,000 principal amount unsecured convertible debentures. See “*Development of the Business – Year-ended December 31, 2024 – Debenture Unit Offering*”.
- (6) Included in the Debenture Units and Corporate Financing Fee Units of the Company issued in the Debenture Unit Offering that closed on December 30, 2024. Each Warrant is exercisable to acquire one Common Share until December 30, 2029. See “*Development of the Business – Year-ended December 31, 2024 – Debenture Unit Offering*”.
- (7) Issued to the Debenture Unit Offering Agents. Each such Compensation Option is exercisable until December 30, 2029 to purchase one Compensation Option Units, with each Compensation Option Unit comprised of one Common Share and one Warrant. See “*Development of the Business – Year-ended December 31, 2024 – Debenture Unit Offering*”.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the Company’s knowledge, the following securities are held in escrow, or are subject to a contractual restriction on transfer as of the date of this Annual Information Form:

Designation of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares ⁽¹⁾	100,679,639	45.73% ⁽²⁾
Warrants ⁽¹⁾	21,577,737	47.61% ⁽³⁾

Options ⁽¹⁾	7,185,581	48.71% ⁽⁴⁾
Convertible Debentures ⁽¹⁾	\$5,000,000	69.24% ⁽²⁾

Notes:

- (1) These securities of the Company are subject to restrictions on transfer pursuant to lock-up agreements dated December 30, 2024 entered into by the directors of the Company in connection with the Debenture Unit Offering. The lock-up agreements expire on April 30, 2025.
- (2) Calculated based on 220,161,726 Common Shares issued and outstanding as of the date hereof.
- (3) Calculated based on 45,319,625 Warrants outstanding as of the date hereof.
- (4) Calculated based on 14,750,776 Options outstanding as of the date hereof.
- (5) Calculated based on \$7,221,316 principal amount of Convertible Debentures outstanding as of the date hereof.

DIRECTORS AND OFFICERS**Name, Occupation and Security Holding**

The following table sets out, as at the date hereof, for each of the directors and executive officers of the Company, the person's name, province and country of residence, their respective positions and offices held, the date on which the person became a director, his or her principal occupation and previously held positions for the last five years, and the number and percentage of Common Shares beneficially owned, controlled or directed, directly or indirectly. The directors are expected to hold office until the next annual meeting of shareholders. The directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders.

Name, Province and Country of Residence, and Position(s) and Office(s) held	Principal Occupations for the Last Five Years	Director / Officer of the Company or Old Bitcoin Well Since ⁽¹⁾	Number and Percent of Common Shares Held ⁽²⁾	
Adam O'Brien Edmonton, Alberta Canada <i>Chief Executive Officer, Director and Chairman</i>	Chief Executive Officer and Promoter of the Company since June 2021. Prior thereto, from March 2013 to June 2021, Chief Executive Officer of Old Bitcoin Well.	March 2013	83,687,904 ⁽³⁾	38.01%
David Bradley ⁽⁷⁾ Calgary, Alberta Canada <i>Director</i>	Chief Revenue Officer of the Company from June 2021 to September 2023. Prior thereto, from January 2021 to June 2021, Chief Revenue Officer of Old Bitcoin Well. Prior thereto, from January 2020 to January 2021, Director of Strategy of Old Bitcoin Well. Prior thereto, from 2018 to 2020, Co-Founder and President of Bull Bitcoin, a bitcoin brokerage.	May 2020	717,241 ⁽⁴⁾	0.33%

Name, Province and Country of Residence, and Position(s) and Office(s) held	Principal Occupations for the Last Five Years	Director / Officer of the Company or Old Bitcoin Well Since ⁽¹⁾	Number and Percent of Common Shares Held ⁽²⁾	
<p>Jason Vandenberg</p> <p>St. Albert, Alberta Canada</p> <p><i>Chief Financial Officer</i></p>	<p>Chief Financial Officer of the Company since November 13, 2023. Previously served as Interim Chief Financial Officer from June 18, 2021 until August 23, 2021 and continued to be retained in an advisory capacity to provide oversight over the Company's financial operations after that time. Currently senior Vice President and Co-Founder of Camilla Advisory Group Inc., a management consulting firm in Edmonton, Alberta.</p>	November 2023	Nil	Nil
<p>Mitchell Demeter⁽⁷⁾⁽⁸⁾</p> <p>Patrick's Island, Grand Cayman</p> <p><i>Director</i></p>	<p>President, Chief Executive Officer and director of Madali Ventures Inc., a private company, since October 2021 and director of Neptune Digital Asset Corp. ("Neptune Digital"), a digital asset and blockchain company, since January 2020. Prior thereto, from August 2019 to October 2021, President of Netcoins Inc., a Canadian online cryptocurrency brokerage. Prior thereto, from January 2018 to August 2019, VP Business Development of Netcoins Inc. Prior thereto, from 2015 to December 2019, Founder of NOA Today Service, a private company.</p>	June 2022	257,000 ⁽⁵⁾	0.12%
<p>Terry Rhode⁽⁷⁾⁽⁸⁾</p> <p>Edmonton, Alberta Canada</p> <p><i>Director</i></p>	<p>Currently President and director of Beyond the Rhode Corp. and BTR, private investment and venture capital companies. Prior thereto, from 1998 to December 2020, VP Corporate Development of Mid-Nite Sun Transportation Ltd. Group of companies and elevating to director and Chairman until October 2021.</p>	June 2022	16,017,494 ⁽⁶⁾	7.28%
TOTAL			100,679,639	45.73%

Notes:

- (1) The Company's directors will hold office until the next annual general meeting of Shareholders or until each director's successor is appointed or elected pursuant to the *Business Corporations Act* (Alberta).
- (2) Information as to the number of Common Shares beneficially owned over which each director or officer exercises control or direction has been furnished by the respective director or officer. Percentage ownership is provided on an undiluted basis and is calculated based on 220,161,726 Common Shares issued and outstanding as of the date hereof.

- (3) Includes 15,651,562 Common Shares held by Mr. O'Brien individually, 68,027,179 Common Shares held by The Adam O'Brien Friends and Family Trust, a trust controlled by Mr. O'Brien, and 9,163 Common Shares held by Mr. O'Brien's spouse. In addition, Mr. O'Brien holds Options exercisable to acquire 3,398,936 Common Shares and Warrants exercisable to acquire 2,880,000 Common Shares.
- (4) Mr. Bradley holds Options exercisable to acquire 1,862,893 Common Shares and Warrants exercisable to acquire 5,400,000 Common Shares.
- (5) Mr. Demeter holds Options exercisable to acquire 961,876 Common Shares.
- (6) Includes 1,061,000 Common Shares held by Mr. Rhode individually and 14,956,494 Common Shares held by BTR. In addition, Mr. Rhode holds Options exercisable to acquire 961,876 Common Shares and \$5,000,000 principal amount convertible debentures convertible into 20,313,043 Common Shares, and BTR holds Warrants exercisable to acquire 13,297,737 Common Shares.
- (7) Member of the Audit Committee of the Board of Directors.
- (8) Member of the Compensation and Governance Committee of the Board of Directors.

Biographies

Adam O'Brien, 32 – Chief Executive Officer and Director (Chair), Full Time, Employee

As President, Chief Executive Officer and Founder of Bitcoin Well, Adam O'Brien is a leading advocate for education, consumer protection and the decentralization of financial services. In 2013, Adam bought his first bitcoin, and after seeing the growth potential within the space, he purchased and installed Bitcoin ATMs at strategic locations across Canada. Given the exponential growth of the market, he founded Bitcoin Well (formerly 'Bitcoin Solutions'), which is the first publicly traded Bitcoin ATM company in the world. Adam serves as Co-chair of the Fintech Committee for the Canadian Blockchain Consortium, Canada's largest non-profit network of blockchain companies and influencers. He is recognized as a true visionary in the field and strives to bring bitcoin and other cryptocurrencies to the mainstream making them easy, approachable and accessible for all.

Mitchell Demeter, 39 – Director

Mitchell Demeter is the Founder, President, and Chief Executive Officer of Madali Ventures, a financial services company. He previously was the President of Netcoins Inc., a Canadian online cryptocurrency brokerage wholly owned by BIGG Digital Assets (CSE:BIGG) in which he also sat on the Board of Directors. He is a serial entrepreneur with a range of experience in blockchain, exchanges, and currency trading. He brought the world its first Bitcoin ATM and first physical Bitcoin brokerage in 2013. Mr. Demeter was the Co-Founder of one of Canada's first cryptocurrency exchanges, where he led the exchange to its acquisition in 2015. He currently sits on the Board of Neptune Digital Assets (TSXV:NDA) and advises several other cryptocurrency and fintech businesses including Secure Digital Markets and Inetco Systems Limited.

Terry Rhode, 55 - Director

Terry Rhode has recently retired from Rosenau Transport as one of its longest-serving employees and partial owner. Before starting with Rosenau in 1998, he was a management consultant and advised various businesses on ways to streamline their operations and has returned to that role on a board level. In his twenty years at Rosenau, he contributed to tremendous growth from a small business to a significant member of the logistics industry. He was originally hired as an assistant controller, and then took over the IT department and various leadership roles with the company. He is well versed in every aspect of administration from change management and project management to sales, pricing, and uses his operational knowledge of every aspect of the business to make ongoing improvements for clients, staff, and shareholders. His role at retirement was Vice President of Corporate Development and Chairman of the board for the Rosenau group of companies. This role allowed him to help develop best practices and ensure

that operations have what it needs to be successful. While Terry is quick to point out his humble beginnings, his accomplishments at the firm are many and ongoing. He has enabled Rosenau's progress in many ways to optimize operations and technical systems through strategic planning and execution. Terry was also on the Agricultural Warehousing Standards Association board and The Alberta Greenhouse Gas Commission with Transport and Environment Canada.

David Bradley, 42 –Director

David Bradley is a prominent figure in the bitcoin industry and is widely considered one of the leading experts in Canada on bitcoin, cryptocurrency and blockchain technology. Prior to his roles with Bitcoin Well, Dave founded the world's first bricks-and-mortar bitcoin store and co-founded the successful company, Bull Bitcoin, which is Canada's longest-serving bitcoin brokerage. He also co-founded the Canadian Blockchain Consortium, Canada's largest nonprofit network of blockchain companies and influencers.

Jason Vandenberg, 47 – Chief Financial Officer, Part Time

Jason brings over 20 years of experience across diverse financial leadership positions and has an established record of leading multiple companies through substantial growth, both organically and through business acquisitions. Jason has experience with the Company as he was the acting Chief Financial Officer when Bitcoin Well listed on the TSXV in 2021. Jason is a Chartered Professional Accountant and holds a Bachelor of Commerce, with Distinction, from the University of Alberta.

Cease Trade Orders, Bankruptcies or Sanctions

Other than set out below, no individual set forth in the above table is, as at the date of this Annual Information Form, or was within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mitchell Demeter is a director of Neptune Digital. Neptune Digital was subject to a failure-to-file cease trade order issued by the British Columbia Securities Commission on January 5, 2022. Neptune Digital subsequently filed the applicable continuous disclosure documents and the foregoing order was revoked on March 29, 2023.

Other than set out below, none of the directors, executive officers or promoters of the Company, or to its knowledge, any of its shareholders holding a sufficient number of securities to affect materially the control of the Company:

- (a) is as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to be a reasonable investor in making an investment decision.

On May 15, 2020, ENTREC Corporation entered into CCAA proceedings, at which time Jason Vandenberg was the Chief Financial Officer.

CONFLICTS OF INTEREST

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his or her interest and abstain from voting on such matter. To the best of management's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest between the Company and its directors, officers and promoters or other members of management of the Company and its directors and officers as a result of their outside business interests except that certain directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

PROMOTERS

Adam O'Brien, Chief Executive Officer and a director of the Company, has been a promoter of the Company since the completion of the Qualifying Transaction on June 11, 2021. Other than Adam O'Brien, no Person has been, within the two most recently completed financial years or during the current financial year, a promoter of the Company or any of its subsidiaries.

Name of Promoter and Position with the Company	Number and Percentage of Common Shares Held
Adam O'Brien Chief Executive Officer and Director	83,687,904 ⁽¹⁾ (38.01%)

Note:

- (1) Includes 15,651,562 Common Shares held by Mr. O'Brien individually, 68,027,179 Common Shares held by The Adam O'Brien Friends and Family Trust, a trust controlled by Mr. O'Brien, and 9,163 Common Shares held by Mr. O'Brien's spouse.

The following table sets out the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the Company or a subsidiary of the Company in the year ended December 31, 2024, and the nature and amount of any assets, services or other consideration received or to be received by the Company or a subsidiary of the Company in return.

Name of Promoter and Position with the Company	Salary	Bonus	Other Compensation	Interest Payments	Value of Unexercised In-the-Money Options
Adam O'Brien Chief Executive Officer and Director	\$35,000 ⁽¹⁾	\$Nil	\$246,900 ⁽²⁾	\$202,228 ⁽³⁾	\$210,325

Note:

- (1) In return, Mr. O'Brien provides management services to the Company and its subsidiaries.
 (2) This figure represents consulting fees paid to 2204759 Alberta LTD., a company controlled by Mr. O'Brien, for marketing services provided to the Company.
 (3) This figure represents interest payments paid by the Company to Mr. O'Brien during the year ended December 31, 2024 pursuant to a Use of Coin Agreement between the Company and Mr. O'Brien.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than set out below, the Company is not and was not a party to, and none of its property is or was the subject of, any legal proceedings during the Company's financial year ended December 31, 2024, that were or are material to the Company, and there are no such material legal proceedings that the Company knows to be contemplated. For the purposes of the foregoing, a legal proceeding is not considered to be "material" by the Company if it involves a claim for damages and the amounts involved, exclusive of interest and costs, does not exceed 10% of the Company's current assets, provided that if any proceeding presents a large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the Company has included the amount involved in the other proceedings in computing the percentage.

On October 27, 2023, Bitcoin Well Canada brought legal proceedings against Rapid Cash before the Court of King's Bench of Alberta for, among other things, breach of the Hosting Agreement by Rapid Cash, pursuant to which Bitcoin Well Canada is claiming \$568,840 representing an outstanding cash settlement, \$2,300,000 in damages for lost profits and \$400,000 in punitive damages. Rapid Cash filed a statement of defence and counterclaim on November 15, 2023, denying the allegations of Bitcoin Well Canada and claiming, among other things, breach of the Hosting Agreement by Bitcoin Well Canada, for which Rapid Cash is seeking \$4,792,337.76 in damages and \$277,944.76 for unjust enrichment. Bitcoin Well Canada filed a statement of defence to counterclaim on November 21, 2023, denying all allegations in Rapid Cash's counterclaim. On February 20, 2025, Bitcoin Well Canada was awarded a partial summary judgement in the amount of approximately \$510,000 related to the Company's cash in ATM machines that was withheld by Rapid Cash.

There were no (i) penalties or sanctions have been imposed against the Company against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2024; (ii) any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; and (iii) settlement agreements that the Company entered into before a court relating

to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2024.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, none of: (i) the directors or executive officers of the Company, (ii) the shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of the voting securities of the Company, or (iii) any Associate or Affiliate of the Persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this Annual Information Form or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries. See “*Material Contracts*”.

TRANSFER AGENT AND REGISTRAR

The Company’s transfer agent and registrar for the Common Shares is Odyssey Trust Company located at Stock Exchange Tower, 1230 – 300, 5th Avenue SW, Calgary, AB T2P 3C4.

MATERIAL CONTRACTS

The following is a list of material contracts of the Company entered into by the Company during its most recently completed financial year and also more recently other than contracts entered into in the ordinary course of business:

- (a) agency agreement dated March 22, 2024 between the Company and Haywood Securities Inc.;
- (b) warrant indenture dated March 22, 2024 between the Company and Odyssey Trust Company;
- (c) agency agreement dated December 30, 2024 between the Company, Haywood Securities Inc. and Ventum Financial Corp.; and
- (d) warrant indenture dated December 30, 2024 between the Company and Odyssey Trust Company.

INTERESTS OF EXPERTS

The Financial Statements during the most recently completed financial year ending December 31, 2024 have been audited by Kingston Ross Pasnak LLP, as set forth in their audit reports.

Kingston Ross Pasnak LLP is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+, which can be accessed at www.sedarplus.ca. Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans, if applicable, will be contained in the Company’s information circular for its most recent annual meeting of securityholders that involved the election of directors dated May 1, 2024.

Additional financial information is provided in the Company's financial statements and management's discussion and analysis its most recently completed financial year ending December 31, 2024.

APPENDIX A GLOSSARY OF TERMS

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Annual Information Form, including the schedules hereto. Words used in this Annual Information Form importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"ABCA" has the meaning ascribed to it under the heading *"Background and Corporate Structure – Name, Address and Incorporation"*.

"Affiliate" means a Company that is affiliated with another Company as described below:

- (a) A Company is an "Affiliate" of another Company if:
 - (i) one of them is the subsidiary of the other; or
 - (ii) each of them is controlled by the same Person.
- (b) A Company is "controlled" by a Person if:
 - (i) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person; and
 - (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.
- (c) A Person beneficially owns securities that are beneficially owned by:
 - (i) a Company controlled by that Person; or
 - (ii) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

"Amalco" or **"Bitcoin Well Canada"** has the meaning ascribed to it under the heading *"Explanatory Notes"*.

"Annual Information Form" means this annual information form of the Company.

"Associate" when used to indicate a relationship with a person, means:

- (a) an issuer of which the person beneficially owns or controls, directly or indirectly, voting securities entitling him or her to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the person;
- (c) any trust or estate in which the person has a substantial beneficial interest or in respect of which a person serves as trustee or in a similar capacity; and
- (d) in the case of a person who is an individual:

- (i) that person's spouse or child; or
- (ii) any relative of the person or of his or her spouse who has the same residence as that person;
- (e) where the TSXV determines that two persons shall, or shall not, be deemed to be associates with respect to a Member (as such term is defined in TSXV policies) firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"ATM" means automated teller machine.

"Bank of Canada" means Canada's central bank and Crown corporation belonging to the federal government.

"BCH" has the meaning ascribed to it under the heading "Risk Factors – Cryptocurrency Risks - Bitcoin's blockchain may temporarily or permanently fork and/or split".

"bitcoin" or **"BTC"** means bitcoin, a decentralized digital currency.

"Bitcoin Well" or **"Company"** means Bitcoin Well Inc. (formerly Red River Capital Corp.).

"Bitcoin Well Preferred Shares" has the meaning ascribed to it under the heading "Description of Capital Structure – Preferred Shares".

"Board of Directors" means the board of directors at Bitcoin Well.

"Brokered LIFE Financing" has the meaning ascribed to it under the heading "*Development of the Business – Year-ended December 31, 2023 – Brokered LIFE Financing*".

"Bridge Loan" has the meaning ascribed to it under the heading "*Development of the Business - Year-ended December 31, 2023*".

"BTG" has the meaning ascribed to it under the heading "*Risk Factors – Cryptocurrency Risks - Bitcoin's blockchain may temporarily or permanently fork and/or split*".

"BTR" has the meaning ascribed to it under "*Development of the Business – Year-ended December 31, 2022 – Convertible Debt Financing*".

"Business" has the meaning set out under the heading "*Background and Corporate Structure – Name, Address and Incorporation*".

"CFTC" means Commodity Futures Trading Commission.

"CIRO" means the Canadian Investment Regulatory Organization.

"Common Shares" means common shares in the capital of the Company.

"CPC" means a corporation: (a) that has been incorporated or organized in a jurisdiction in Canada; (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities

commissions in Canada in compliance with Policy 2.4 – *Capital Pool Companies* of the TSXV; and (c) in regard to which the Final Exchange Bulletin has not yet been issued.

“**CP 21-402**” has the meaning ascribed to it under the heading “*Business of the Company - Principal Products or Services – Operations – Government and Industry Regulation – Canada*”.

“**CSA**” has the meaning ascribed to it under the heading “*Business of the Company - Principal Products or Services – Operations – Government and Industry Regulation – Canada*”.

“**CTP**” has the meaning ascribed to it under the heading “*Business of the Company - Principal Products or Services – Operations – Government and Industry Regulation – Canada*”.

“**Debenture Units**” has the meaning ascribed to it under the heading “*Development of the Business – Year-ended December 31, 2024 – Debenture Unit Offering*”.

“**Debenture Unit Offering**” has the meaning ascribed to it under the heading “*Development of the Business – Year-ended December 31, 2024 – Debenture Unit Offering*”.

“**Debenture Unit Offering Agents**” has the meaning ascribed to it under the heading “*Development of the Business – Year-ended December 31, 2024 – Debenture Unit Offering*”.

“**DSUs**” has the meaning ascribed to it under the heading “*Description of Capital Structure – Options*”.

“**Compensation Option**” has the meaning ascribed to it under the heading “*Description of Capital Structure – Compensation Options*”.

“**Compensation Option Unit**” has the meaning ascribed to it under the heading “*Description of Capital Structure – Compensation Options*”.

“**Compensation Option Unit Warrant**” has the meaning ascribed to it under the heading “*Description of Capital Structure – Compensation Options*”.

“**Corporate Finance Fee Units**” has the meaning ascribed to it under the heading “*Development of the Business – Year-ended December 31, 2024 – Debenture Unit Offering*”.

“**Equibytes**” means Entreprises Equibytes Inc., a Montreal-based money service business and bitcoin ATM operator, whose issued and outstanding shares were acquired by the Company on September 7, 2021. Equibytes is currently inactive.

“**Exchange Provider**” has the meaning ascribed to it under the heading “*Business of the Company – Operations – Cryptocurrency Inventory*”.

“**FinCEN**” has the meaning ascribed to it under the heading “*Business of the Company - Principal Products or Services – Operations – Government and Industry Regulation – United States – Regulation of Money Transmission*”.

“**FINTRAC**” has the meaning ascribed to it under the heading “*Business of the Company - Principal Products or Services – Operations – Government and Industry Regulation – Canada*”.

“**February Debenture**” has the meaning ascribed to it under the heading “*Development of the Business – Year-ended December 31, 2023 – Convertible Debentures*”.

“**FinTech**” or “**fintech**” means financial technology.

“**Ghostlab**” means Ghostlab Inc., a wholly-owned subsidiary of the Company.

“**Ghostlab License Agreement**” has the meaning ascribed to it under the heading “*Risk Factors – Cryptocurrency Risk - Dependence on licensed software*”.

“**Haywood**” means Haywood Securities Inc.

“**Hosting Agreement**” has the meaning ascribed to it under the heading “*Development of the Business – Year Ended December 31, 2023 – Dispute with Rapid Cash ATM Ltd.*”.

“**INN**” has the meaning ascribed to it under the heading “*Development of the Business – Year-ended December 31, 2023 – Advertising and Investor Awareness Campaign*”.

“**Insider**” if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the issuer that is an Insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities.

“**Investment Company Act**” has the meaning ascribed to it under the heading “*Business of the Company - Principal Products or Services – Operations – Government and Industry Regulation – United States – Investment Company Act*”.

“**IT**” has the meaning ascribed to it under the heading “*Risk Factors – Business and Operations Risks – Cybersecurity Risks*”.

“**Key Personnel**” has the meaning ascribed to it under the heading “*Risk Factors – Business and Operations Risks – Dependence on key management personnel*”.

“**Ledn**” means Ledn Hodl I LP and includes LEDN Cayman SEZC Inc.

“**March Debenture**” has the meaning ascribed to it under the heading “*Development of the Business – Year-ended December 31, 2023 – Convertible Debentures*”.

“**Market Price**” has the meaning ascribed thereto under Policy 1.1 – Interpretation of the TSXV Manual.

“**Material Adverse Effect**” means, with respect to the Company or its subsidiaries, any change, event, effect, occurrence or state of facts that has, or could reasonably be expected to constitute a material adverse change in respect of or to have an effect that is materially adverse to, the business, assets, liabilities (including contingent liabilities), conditions (financial or otherwise), prospects or results of operations of the Company and/or its subsidiaries, as applicable, taken as a whole.

“**MI 61-101**” means Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

“MSB” has the meaning ascribed to it under the heading *“Business of the Company - Principal Products or Services – Operations – Government and Industry Regulation – Canada”*.

“NI 45-106” means National Instrument 45-106 – *Prospectus Exemptions*.

“Non-Voting Shares” means the non-voting shares of the Company.

“NYDFS” has the meaning ascribed to it under the heading *“Business of the Company - Principal Products or Services – Operations – Government and Industry Regulation – United States – Virtual Currency Business Activity in New York”*.

“OFAC” means the Office of Foreign Assets Control at the U.S. Department of the Treasury.

“Old Bitcoin Well” has the meaning ascribed to it under the heading *“Explanatory Notes”*.

“Omnibus Plan” has the meaning ascribed to it under the heading *“Description of Capital Structure – Options”*.

“Online Portal” has the meaning ascribed to it under the heading *“Business of the Company – Narrative Description of the Business – Overview of the Business”*.

“Options” means options to purchase Common Shares granted pursuant to the terms and conditions of the Omnibus Plan.

“OTCQB” means Over-The-Counter Quotation Bureau.

“Outstanding Debt” has the meaning ascribed to it under the heading *“Development of the Business – Current Financial Year (2025) – Debt Settlement”*.

“Ownership” (and derivatives thereof) means: (a) ownership of record as evidenced in the Company’s share register; (b) “beneficial ownership” as defined in Section 1 of the ABCA; or (c) the power to exercise control or direction over a security.

“Participants” has the meaning ascribed to it under the heading *“Description of Capital Structure – Options”*.

“PCMLTFA” has the meaning ascribed to it under the heading *“Business of the Company - Principal Products or Services – Operations – Government and Industry Regulation – Canada”*.

“Person” means any individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision of any thereof) or any entity of any kind.

“Promoter” has the meaning ascribed thereto in Policy 1.1 of the TSXV.

“PSUs” has the meaning ascribed to it under the heading *“Description of Capital Structure – Options”*.

“Qualifying Transaction” has the meaning ascribed to it under the heading *“Explanatory Notes”*.

“Rapid Cash” has the meaning ascribed to it under the heading *“Development of the Business – Year Ended December 31, 2023 – Dispute with Rapid Cash ATM Ltd.”*.

“Red River” has the meaning ascribed to it under the heading *“Explanatory Notes”*.

“Rise Wallet” means a service for users to buy, sell and use bitcoin online with self-custodied blockchain technology and through a proprietary mobile app.

“RPAA” has the meaning ascribed to it under the heading *“Business of the Company – Operations – Government and Industry Regulation – Canada”*.

“RSUs” has the meaning ascribed to it under the heading *“Description of Capital Structure – Options”*.

“SEC” has the meaning ascribed to it under the heading *“Business of the Company - Principal Products or Services – Operations – Government and Industry Regulation – United States”*.

“Software” means the proprietary software developed by Ghostlab with the view to continually enhancing the security and user experience of ATMs, as well as developing new solutions to facilitate on-line transactions and gift card purchases.

“Sponsorship Agreement” has the meaning ascribed to it under the heading *“Development of the Business – Year Ended December 31, 2024 – Sponsorship Agreement”*.

“Stockhouse” has the meaning ascribed to it under the heading *“Development of the Business - Year Ended December 31, 2023 – Advertising and Investor Awareness Campaign”*.

“Stock Option Plan” means the stock option plan of Bitcoin Well from time to time.

“Subco” has the meaning ascribed to it under the heading *“Explanatory Notes”*.

“Term 1” has the meaning ascribed to it under the heading *“Development of the Business – Year-ended December 31, 2024 – Sponsorship Agreement”*.

“Term 2” has the meaning ascribed to it under the heading *“Development of the Business – Year-ended December 31, 2024 – Sponsorship Agreement”*.

“TSXV” has the meaning ascribed to it under the heading *“Explanatory Notes”*.

“Units” means Units of the Company, each comprised of one Common Share and one Warrant.

“United States” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

“Use of Coin Agreements” means the unsecured use of cryptocurrency agreements among Bitcoin Well and certain insiders and arm’s length parties, as amended on September 1, 2023, pursuant to which Bitcoin Well was loaned bitcoin and ether from such parties to cover any inventory shortage, minimize business disruption, and ensure that it can always complete a requested transaction.

“Warrants” means the common share purchase warrants of the Company.

“2024 LIFE Units” has the meaning ascribed to it under the heading *“Development of the Business – Year-ended December 31, 2023 – Brokered LIFE Financing”*.